

The adaptable survives #8

- The effects of increased regulation of banks

Report on the 2022 survey

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Foreword

This is the eighth annual report on the effects of change in banking regulations that started with a thesis written in 2015 at Stockholm Business School Executive MBA program.

The purpose of the annual reports is to do a limited follow up of trends and results based on an annual survey within the banking industry in the Nordic countries.

I want to give a special thanks to the Bankers Associations in Denmark, Finland and Sweden, as well as the Swedish Savings Bank Association ("*Sparbankernas Riksförbund*"), for making this annual survey possible and to all colleagues in the banking industry for dedicating their time to answer.

Also, thanks to Viktor Elliot, Ph.D. Senior Lecturer, at the School of Business, Law and Economics at University of Gothenburg for all cooperation and support.

During 2022 myself, Viktor Elliot and Bo-Göran Jansson, have continued a sister survey among the Swedish insurance companies. This is done because the insurance industry share many of the challenges of the Banking industry. We are excited to be able to compare the industries in the future.

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About the author:

Torbjörn Jacobsson has from a risk, finance, and IT perspective developed smaller banks in growth journeys for more than 25 years. He has been an active member of several Swedish Bankers Association committees. That has given him a broad experience and knowledge about banks conditions, regulations, and how an effective risk management can support the business and customer experience. He works daily with regulation and risk management as vice-chairman of the board in Sörmlands Sparbank, board member of Loomis Digital Solutions, co-founder and CEO of FinTech Africa/Mtaji Wetu Finance Tanzania, and within his own consultancy firm. He has also previously worked as CRO at Avida Finans and Marginalen Bank, where he also has been CFO and CIO. Torbjörn has an Executive MBA from Stockholm Business School / Stockholm University.

The author is a frequent speaker at conferences and educator at several universities. He was a finalist of the Swedish award GRC profile of the year 2016.

Executive summery

The annual survey examines the effects of regulatory change in Nordic banking industry. The survey focuses on three areas: regulation, competition, and processes & leadership.

The aim of the survey, and the related studies, is to understand the ongoing change in the regulatory environment and its implication for the banking industry. The survey also includes questions about digitalisation and ESG. The response rate in the eighth annual report was slightly reduced in percentage but increased in number of respondents to almost 200 answers, and as such offers a comprehensive overview of the industry.

During the last years circumstances, we must also account for the Ukraine war and Covid-19 pandemic. Relating to the Ukraine war the banks answers that it is the compliance risk that have increased the most. In regards of the third year of Covid-19 pandemic the result of the 2022 survey shows just small changes compared to previous years. The risk levels have not increase much besides cyber risk and a majority agree that the regulatory actions have been sufficient.

Climate change and sustainability have been a bit in the shadow from the Ukraine war as it was on the news daily a year ago. Still the financial markets are required to take its responsibility relating to these questions. Some questions were added the last three surveys on how well the banks processes are adapted to the ESG requirements. The result 2022 shows that bank employees are more knowledgeable and less positive to the processes alignment to the ESG requirements. Half say they have good knowledge but just one quarter is positive to the process alignment. The group Others are more optimistic about the banks' capabilities within this domain compared to the two last years.

The result relating to regulation being clear it was a major change in results from the mid-sized and large banks. They have become much more positive while the small banks have followed the long-term trend by improving the results slightly year to year. When it comes to proportionality and communication with the national FSAs there is no larger changes.

The conclusion stands even after analysing this eighth survey: "Banks are risking a myopia; they see the changes but are unable to implement the necessary adjustments to new business conditions" - The adaptable survives.

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1. Introduction

The focus of this report is like previous years: the increased regulatory effects and the risk of a bank¹ myopia. Myopia here refers to failure to detect important changes in the outside world and thus, in time, failure in adapting the business model to changing customer behaviour. The study has three focus areas.

- 1. How the regulation is interpreted, implemented, and adapted in banks*
- 2. Competition between banks and other financial actors² that do not fall under the same regulation*
- 3. Influence of regulation on banks' processes and leadership.*

The results will be compared to the results in previous years' surveys.

1.1. Banks and its regulation

For readers who do not themselves work in the banking industry, it is recommended to read the author's thesis "Den anpassningsbare överlever" (The adaptable survives) (2015) for background information relevant to understand this report. The thesis is available in full and as an executive version at www.jacobsson.se. The thesis is in Swedish.

Appendix 1 – "The bank regulation" contains a description of bank regulation.

1.2. Limitations

The report:

- Only includes a casual review of bank regulation outside the risk management area.
- Do not focus on the effects of regulation on other financial institutions, finance companies or shadow banks, collectively named other financial actors.
- Do not to analyse the consequences of non-compliance with the regulation and subsequent regulatory measures.
- Only casually discusses technological change and other environmental factors.

The limitation is made as the above areas are nearby but are nevertheless deemed not to be essential for the analysis.

Furthermore, this report does not contain a theory review as the thesis did.

¹ With bank means in this report also credit market companies "kreditmarknadsbolag" that is regulated under the same regulation as banks.

²Other financial actors – for example IT-companies, service companies and shadow banks that compete with banks without being under the same regulation. Shadow banks is financial companies that conduct banking like services.

2. Method

The author studies the questions with qualitative method. The 2022 survey is somewhat developed compared with previous years. The survey is sent to a wide group of professionals active in the banking sector. The survey contains both predefined answer options and open response questions.



2.1. Survey formation

The data collection is done with an empirical study through a survey verified by an expert panel (2015), a survey design expert (2016) and a researcher at the School of Business, Law and Economics at University of Gothenburg (2018-2022). The Web-based surveys consists of two versions, one for bank employees and one for other banking professionals. Both surveys contain the same questions, the difference is how the questions are formulated. It is an empirical study based on the knowledge of the author and respondents about banks and banking regulation.

2.2. Identifying recipients

The survey recipients consist primarily of persons who are members of a committee in the Swedish Bankers Association relating to capital adequacy, liquidity, legal, compliance or operational risks, or within the equivalent committees with the Swedish Savings Bank Association, Finance Denmark or Finance Finland, and persons with whom the author has a professional relationship with. Finance Norway have been part of the survey 2018-2020 but due to lack of resources they had to take a passive role since 2021. Nevertheless, there is some respondents from Norway also this year. The selection has been made on the basis that they are expected to provide a comprehensive view of the questions based on the banks' internal perspective. The recipients are categorized in Bank employees or Others. The group Others consist of persons employed at consultancy companies, universities, authorities, or independent board members.

2.3. Distribution

The survey is conducted via the web where recipients receive a link sent by e-mail together with information about the survey. The information contains a description of the purpose, scope, volunteering of answering the questionnaire and guaranteeing anonymity. The associations in each country have distributed the email to their members as from 2019.

2.4. Analysis

The data collection is analysed by comparing the results with previous year's results and predefined answers with open response answers. Using the background information, comparisons can be made between larger and smaller banks, as well as between respondents with good insight into the regulation and the less involved. Any differences in response patterns between respondent categories are made between those who are or are not members of any committees and between those with and without employee responsibility.

3. Result and analysis

The 2022 survey received a 12 percent response rate, 197 replies. This report will focus on some of the long-term trends.

This year the number of responses in Sweden increased while the responses in Norway decreased and Finland/Denmark was stable. See Table 1 - Respondents by country and year.

New findings are:

- The Ukraine war have mainly affected the risk level for Cyber risk.
- The respondents give a view that banks are improving on the ESG requirements.
- Large and mid-sized banks have made a significant move in agreeing that the regulation is clear.

The results of the 2022 survey might be affected by the increased number of recipients (+13%) and respondents (+5%). The increase of recipients stems primarily from Swedish banks (+22%). Response rates for all surveys are reported in Table 1 - Respondents by country and year. This is the fifth year that the survey was submitted outside Sweden. Still most respondents are from Sweden as shown in Table 1, most recipients (76 percent) and respondents (93 percent).

Table 1 - Respondents by country and year

Country	2022			2021			2020			2019		
	Received	Answer	Rate	Received	Answer	Rate	Received	Answer	Rate	Received	Answer	Rate
Sweden	1228	182	15%	1007	171	17%	995	243	24%	546	154	28%
Norway	51	1	2%	47	5	11%	59	6	10%	94	17	18%
Finland	53	7	13%	105	3	3%	66	2	3%	48	6	13%
Denmark	281	7	2%	268	8	3%	24	3	13%	103	19	18%
Total	1613	197	12%	1427	187	13%	1144	254	22%	791	196	25%
Change YoY	13%	5%		80%	-5%		98%	34%		37%	3%	

Appendix 2 – Respondents, contains a more comprehensive description of the respondents.

For the further analysis, we separate between large (>500bn SEK - 50bn EUR in total assets), medium (50-500bn SEK – 5-50bn EUR in total assets) and small (<50bn SEK or 5bn EUR in total assets) banks.

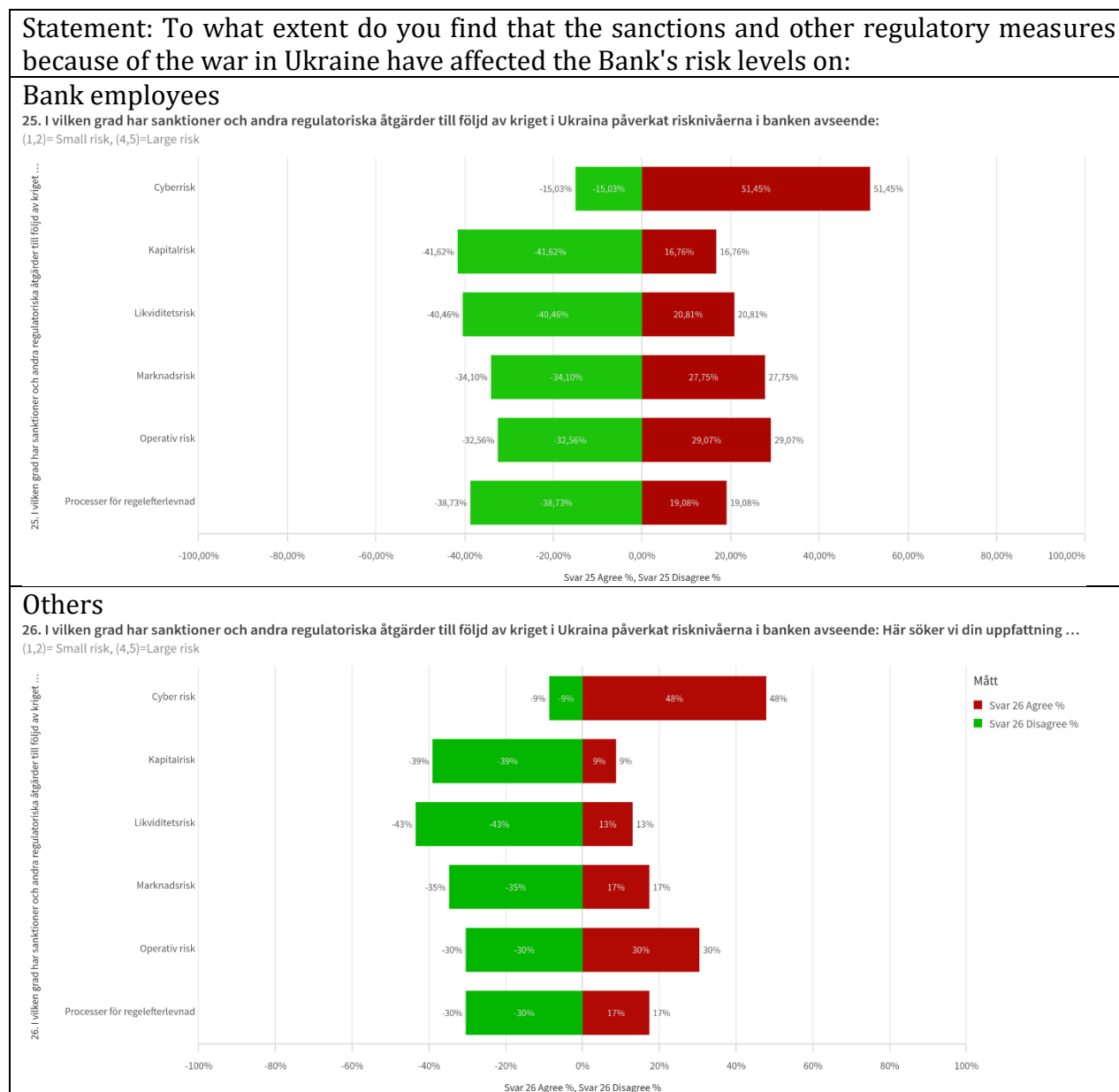
Appendix 3 – Comparison 2022 with 2018-2021 shows some graphics where the results did not change much to 2022, and the reader can further analyse these numbers. Instead, the focus here is on “what’s new”: for example, areas with clear trends, major differences between countries or between bank employees and the group of others (“Others”).

3.1. The Ukraine war

In the first survey after the Ukraine war breakout, we added a question about the changed risk levels due to sanctions and other regulatory actions implemented because of the war.

As shown in Figure 1 both the Bank employees and Others says it is the Cyber risk that has been most affected by the sanctions and other regulatory measures because of the Ukraine war.

Figure 1 – Risk level effects on risk levels

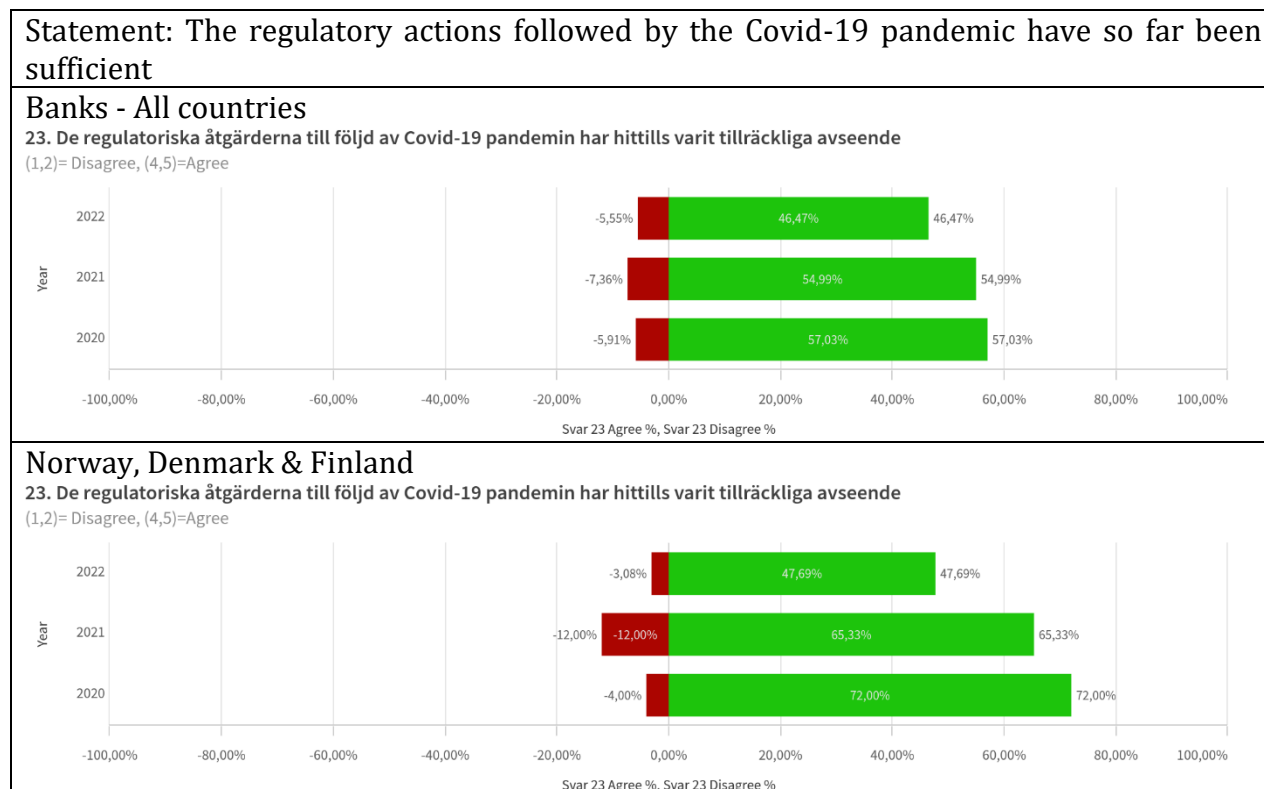


3.2. The Covid-19 pandemic

In the third year of the pandemic the respondents have increased the view on increased risk. Largest increase is in Market risk. The respondents are less and less agreeing to that the actions that took place in the regulatory landscape because of the covid-19 pandemic are sufficient.

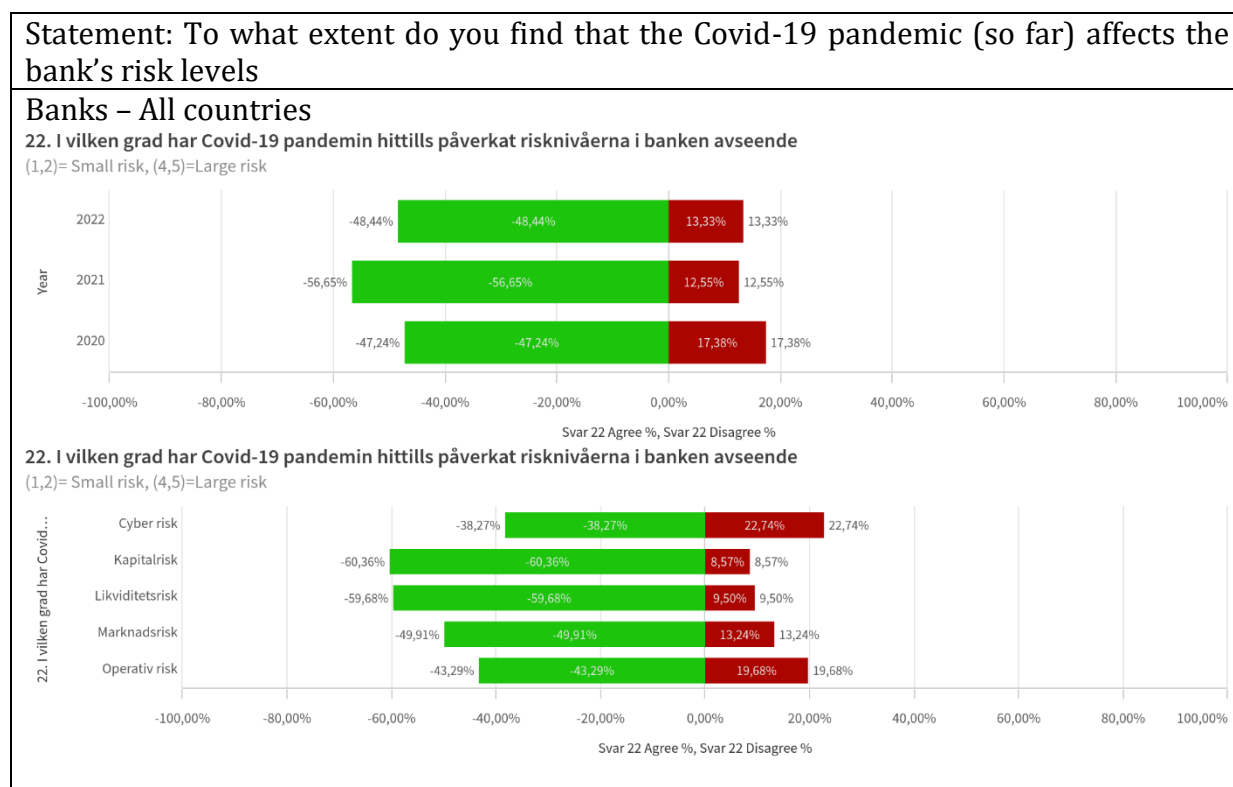
This was a new question in the 2020 survey, and respondents answered it appr. six months after the pandemic started.

Figure 2 – Regulatory actions



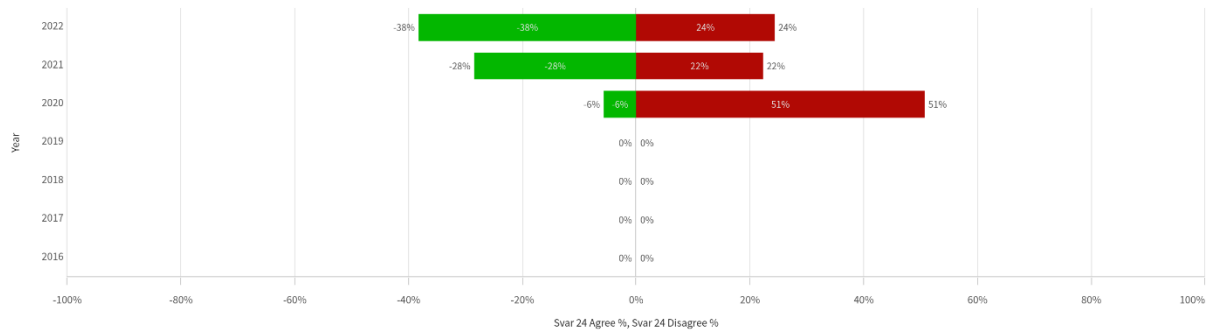
The graphics above covers all five risk areas in the question. The respondents answers almost the same on all risks.

Figure 3 – Risk levels due to the Covid-19 pandemic

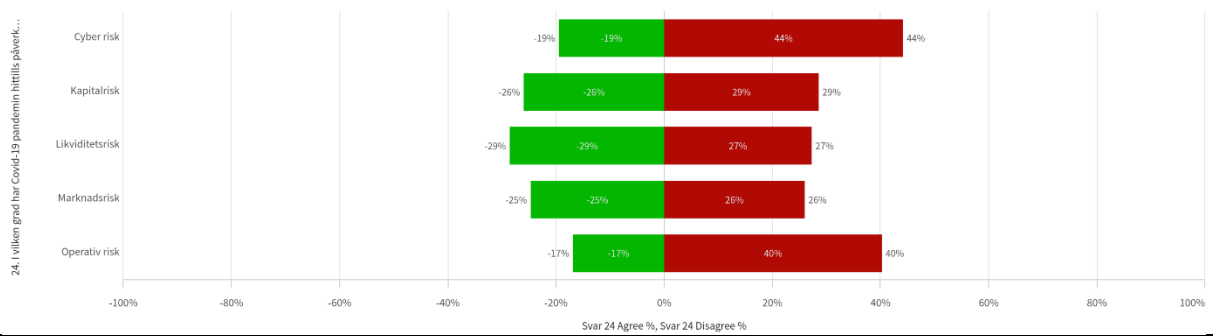


Others (non-bank employees)

24. I vilken grad har Covid-19 pandemin hittills påverkat risknivåerna i bankerna avseende Här söker vi din uppfattning om bankerna generellt.
(1,2)= Small risk, (4,5)=Large risk

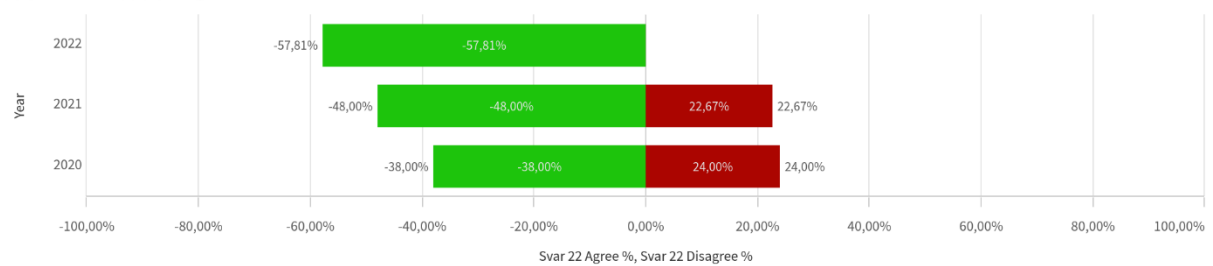


24. I vilken grad har Covid-19 pandemin hittills påverkat risknivåerna i bankerna avseende Här söker vi din uppfattning om bankerna generellt.
(1,2)= Small risk, (4,5)=Large risk

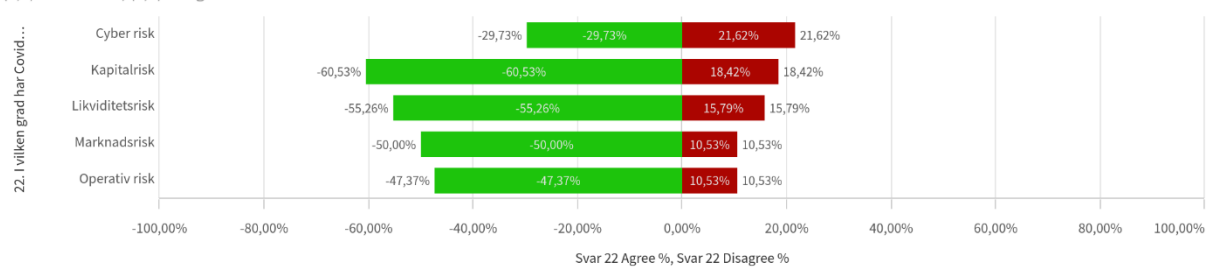


Banks – Norway, Denmark & Finland

22. I vilken grad har Covid-19 pandemin hittills påverkat risknivåerna i banken avseende
(1,2)= Small risk, (4,5)=Large risk



22. I vilken grad har Covid-19 pandemin hittills påverkat risknivåerna i banken avseende
(1,2)= Small risk, (4,5)=Large risk



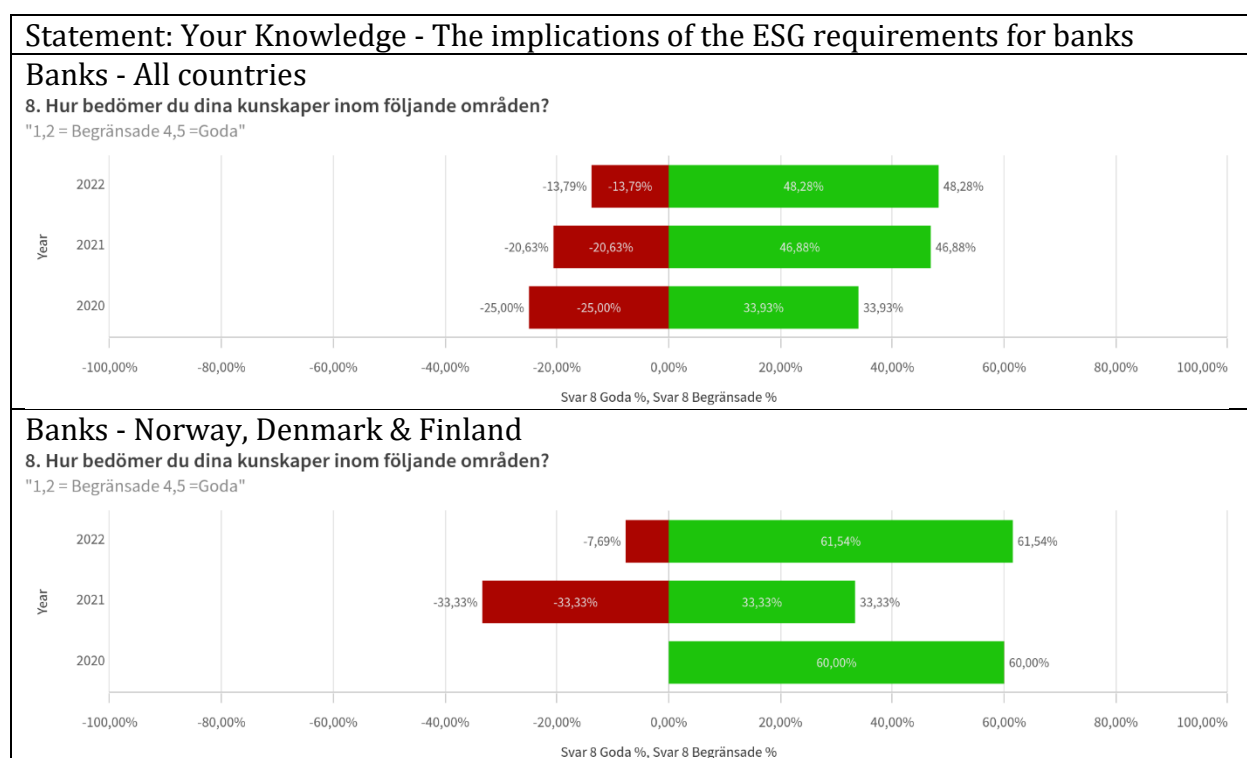
3.3. ESG risks

The answers here shows that banks keeps on stepping up to be on top of ESG requirements as the results also 2022 are improved. The group Other is a little more critical than bank employee respondents relating how well the banks processes are well-adapted to ESG requirements. The two groups have come closer to each other during 2022.

This was a new question in the 2020 survey, and it was added to better understand how the respondents view the ESG (Environmental, Social & Governance) risks. From a regulatory and political perspective, the financial industry including banks have an important role in the ongoing change towards more sustainable societies. The questions are therefore on top of agendas and the questions was added to better understand how banks are preparing in this area.

The results 2022 does not vary much from 2021 regarding Sweden. The other countries have judged the knowledge as higher this year.

Figure 4 - Knowledge on implications of the ESG requirements for banks



When it comes to adoption of processes to the ESG requirements the trend in answers have been more to the middle instead of being positive or negative.

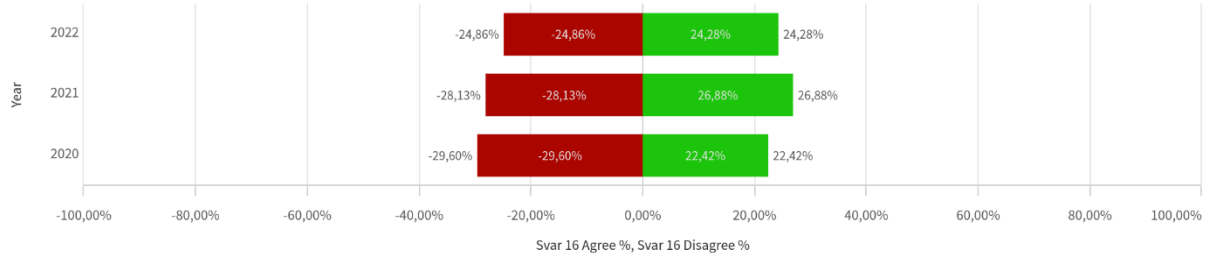
Figure 5 – Well-adapted processes to ESG requirements

Statement: The bank's processes are well-adapted to the ESG (Environmental, Social, Governance) requirements.

Banks - All countries

16. I vilken grad instämmer du i följande påståenden?

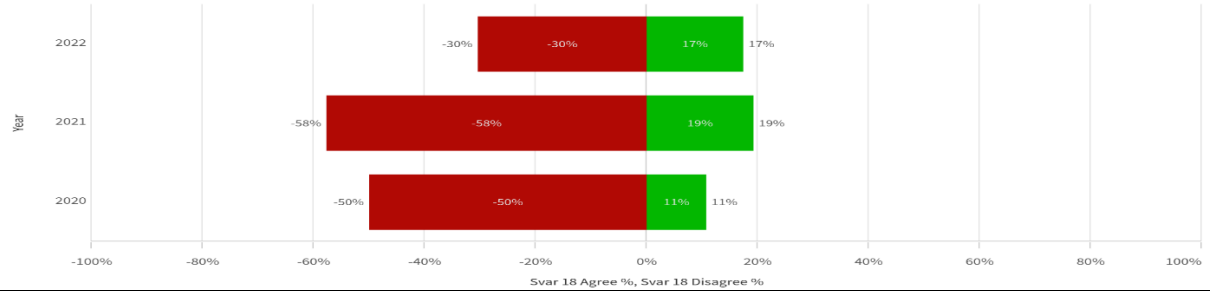
(1,2)= Disagree, (4,5)=Agree



Others (non-bank employees)

18. I vilken grad instämmer du i följande påståenden?

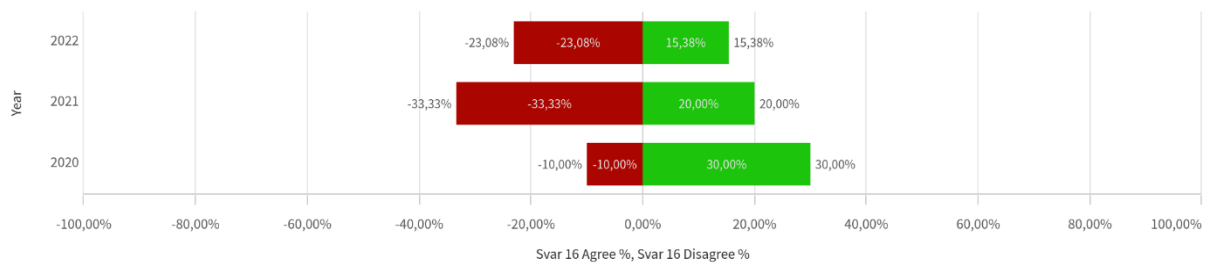
(1,2)= Disagree, (4,5)=Agree



Banks - Norway, Denmark & Finland

16. I vilken grad instämmer du i följande påståenden?

(1,2)= Disagree, (4,5)=Agree



3.4. Regulation and Communication with national FSA

There is over a seven-year period some improvements in the view of the regulations that improve significantly during 2022. The answers still confirm the general critique of the regulatory framework but now mainly from the small banks. The positive trend regarding communication with FSA between 2019 and 2020 have not continued to 2021 nor in 2022.

Over the years of the survey the Bank employees have around 40% reported that the regulation isn't clear and over 50% that the regulators are not sufficiently clear in their instructions. But in the survey for 2022 some trends was changed.

That the regulation isn't clear have dropped from 40% to 25% and at the same time the number of respondents that think the regulation is clear have increased from 30% to 40%, see Figure 6Figure 7 below. It is the large and mid-sized banks that have changed their answers compared to previous years. The small banks are still negative to the lack of clear regulation even if also this group have become a bit more positive.

Also, on the question if the Regulators are sufficiently clear in their regulations and instructions are the mid-sized and large bank employees much more positive this year compared to previous years (Figure 7 and Figure 8). It is a 20% improvement from 50% negative to 30%. The small banks have the opposite development during 2022. It is an increase of negative from 30% to 40% combined with a drop in number of positives.

On proportionality, Figure 9 below, Bank employees in both small and large banks were disagreeing more in 2021 than in 2016. But in the 2022 survey all bank employees are less disagreeing. The mid-sized and the large banks are both agreeing to a higher extent than previous years. 2022 was the highest positive number since the surveys started.

The questions on FSA communications, Figure 10 below, were new in the 2019 survey, and it was added to better understand how the respondents view the communication with/from the FSA. The last two years have not improved the results in the same way as between 2019 and 2020, a little worse if you expect the FSA guidelines to facilitate the compliance processes.

Still banks find it difficult to locate the necessary information on the webpage, a result that has slightly improved from last year in Norway, Denmark & Finland, but not in Sweden (Figure 11).

Figure 6 - The rules are clear

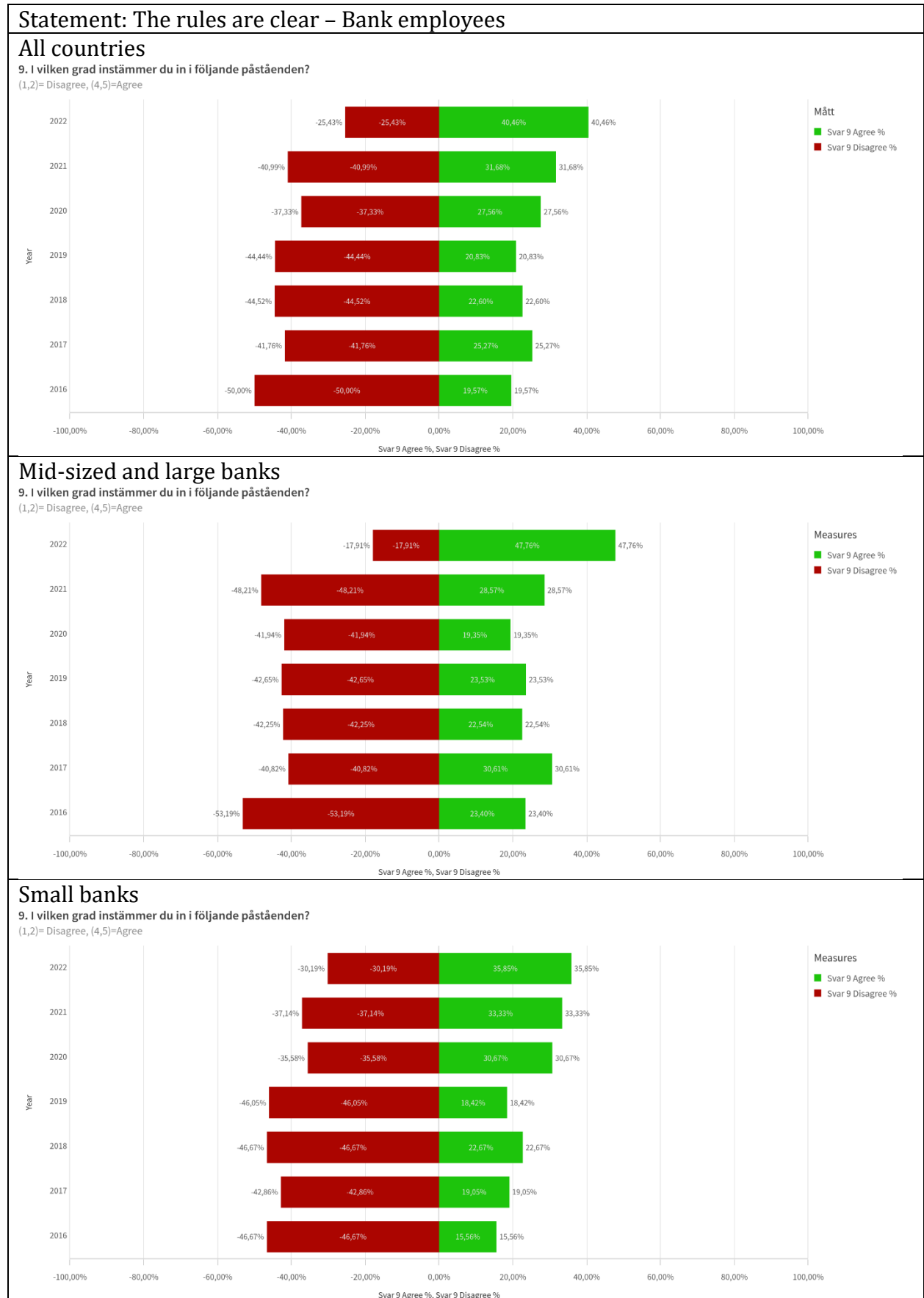


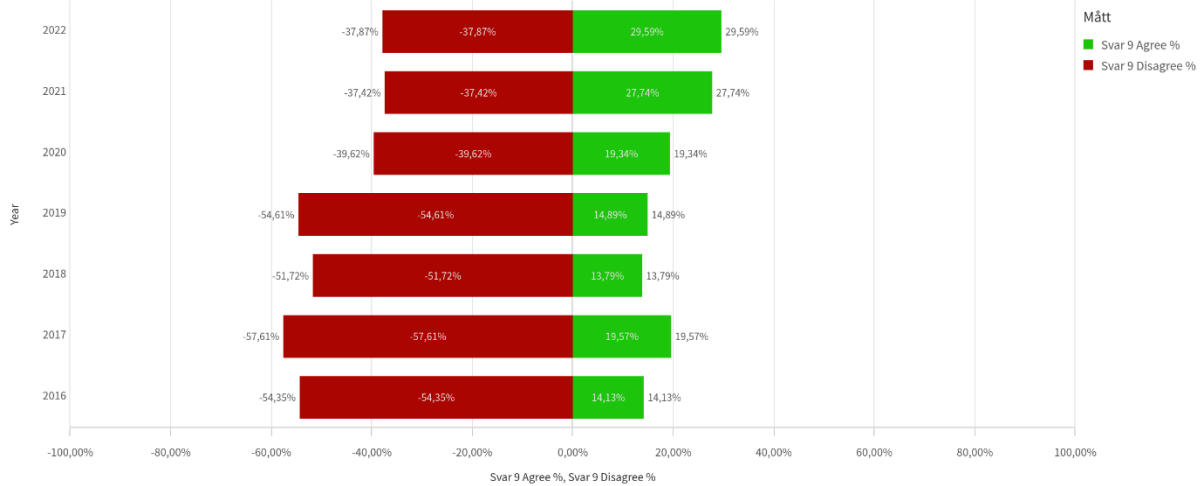
Figure 7 - Regulators are sufficiently clear...

Statement: Regulators are sufficiently clear in their regulations and instructions – Bank employees

All countries

9. I vilken grad instämmer du in i följande påståenden?

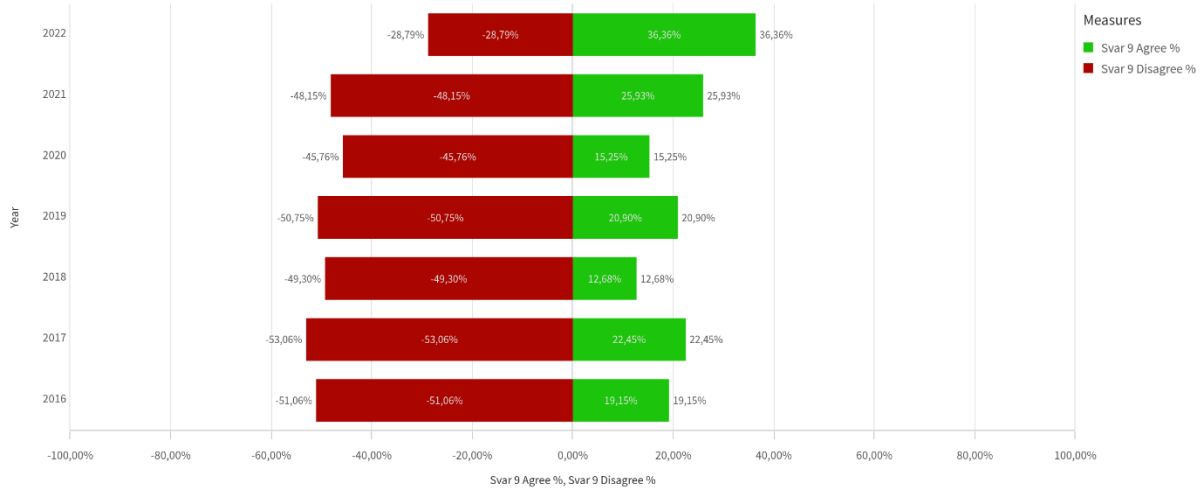
(1,2)= Disagree, (4,5)=Agree



Mid-sized and large banks

9. I vilken grad instämmer du in i följande påståenden?

(1,2)= Disagree, (4,5)=Agree



Small banks

9. I vilken grad instämmer du in i följande påståenden?

(1,2)= Disagree, (4,5)=Agree

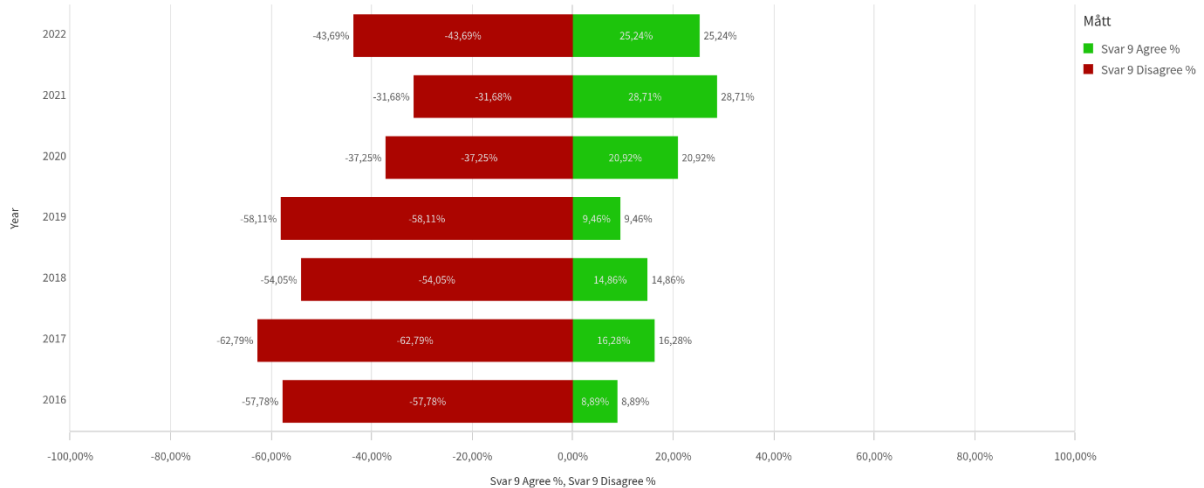


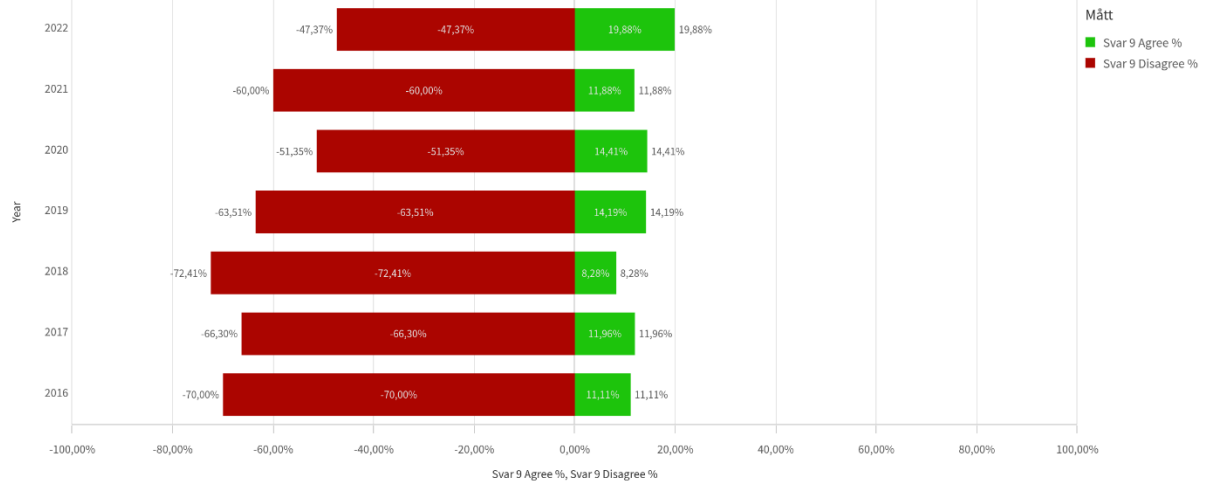
Figure 8 – There is no uncertainty...

Statement: There is no uncertainty about how the regulators will follow up the application of the regulations and instructions – Bank employees

All countries

9. I vilken grad instämmer du in i följande påståenden?

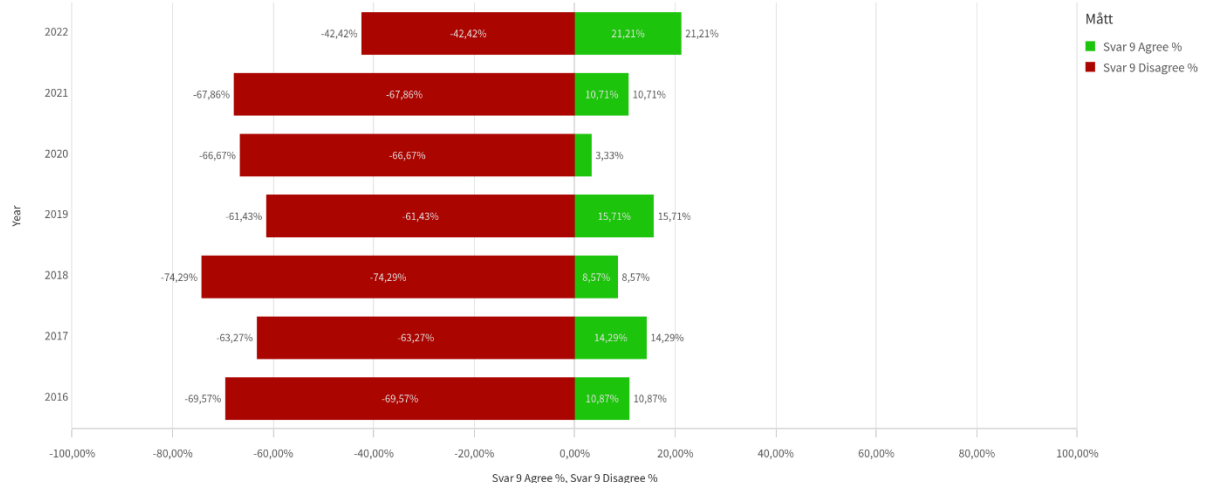
(1,2)= Disagree, (4,5)=Agree



Mid-size and large banks

9. I vilken grad instämmer du in i följande påståenden?

(1,2)= Disagree, (4,5)=Agree



Small banks

9. I vilken grad instämmer du in i följande påståenden?

(1,2)= Disagree, (4,5)=Agree

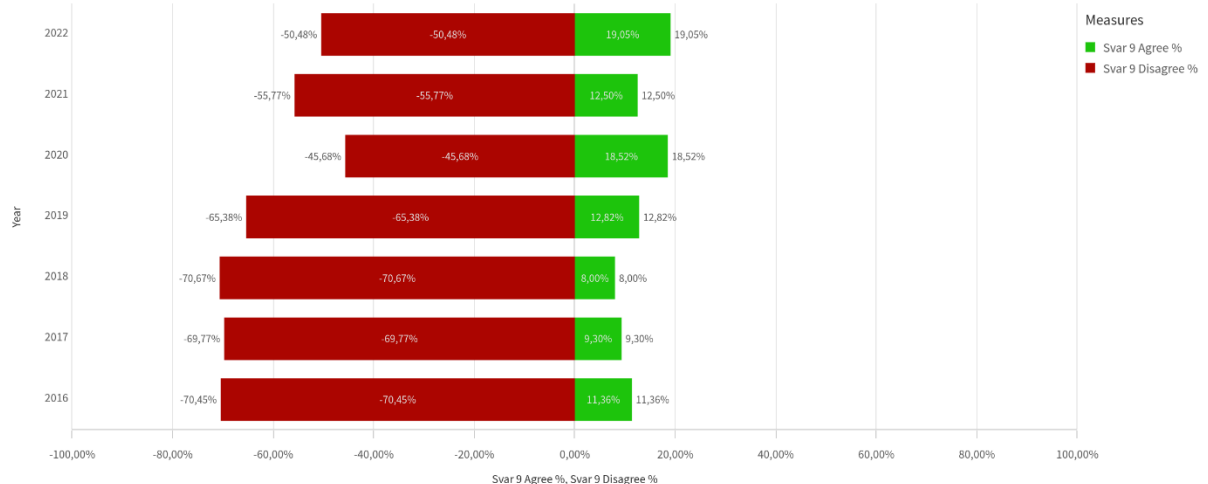


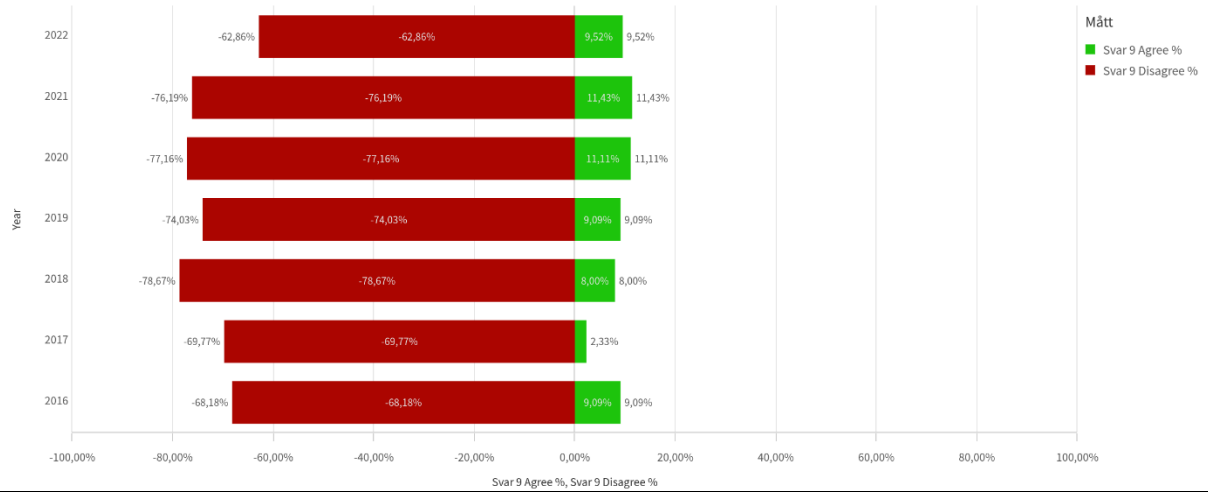
Figure 9 - Proportionality

Statement: There is sufficient proportionality in the rules between large and small banks – Bank employees

Small banks

9. I vilken grad instämmer du in i följande påståenden?

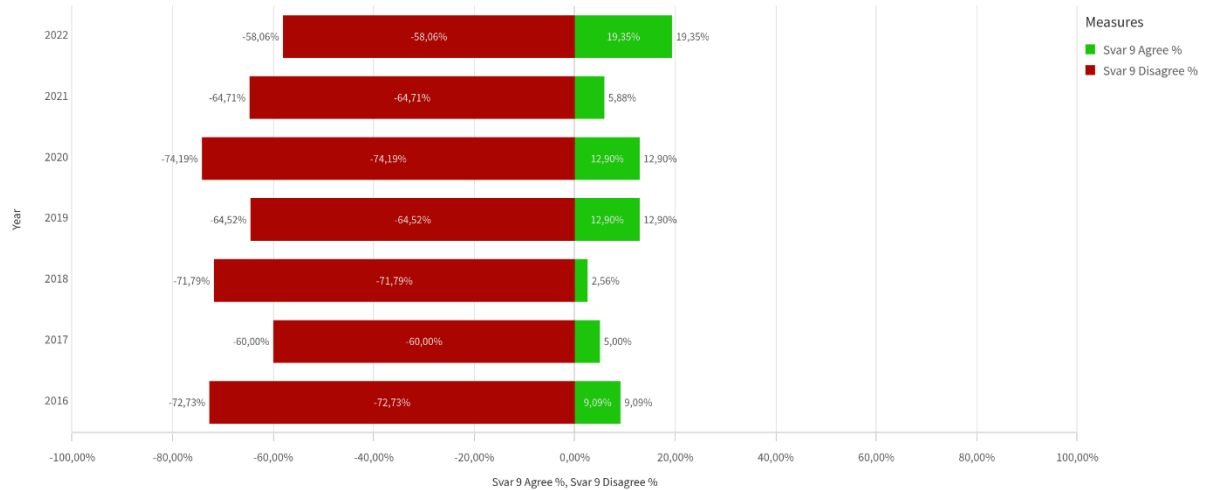
(1,2)= Disagree, (4,5)=Agree



Mid-sized banks

9. I vilken grad instämmer du in i följande påståenden?

(1,2)= Disagree, (4,5)=Agree



Large banks

9. I vilken grad instämmer du in i följande påståenden?

(1,2)= Disagree, (4,5)=Agree

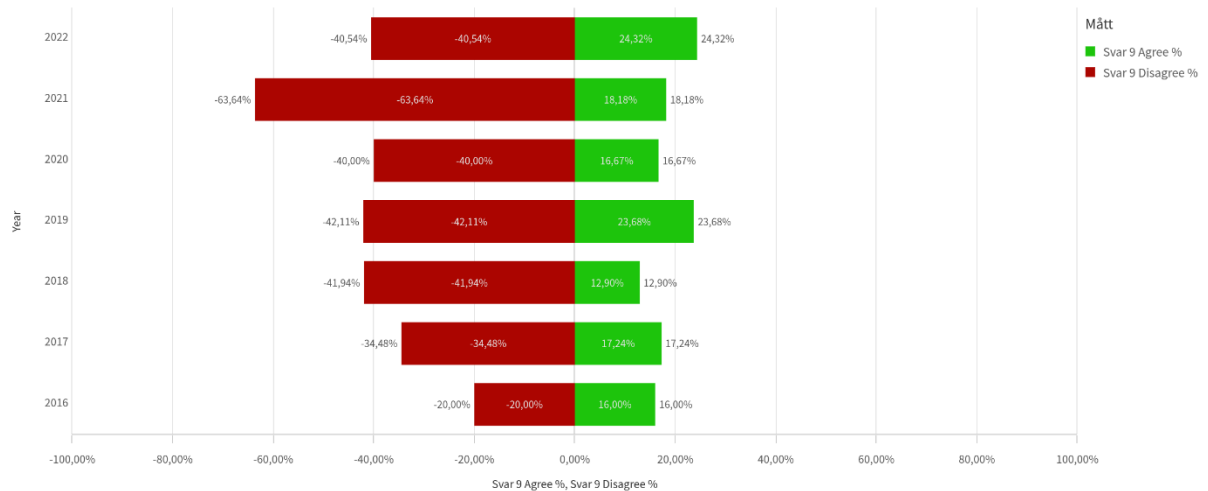


Figure 10 - Guidelines from the FSA

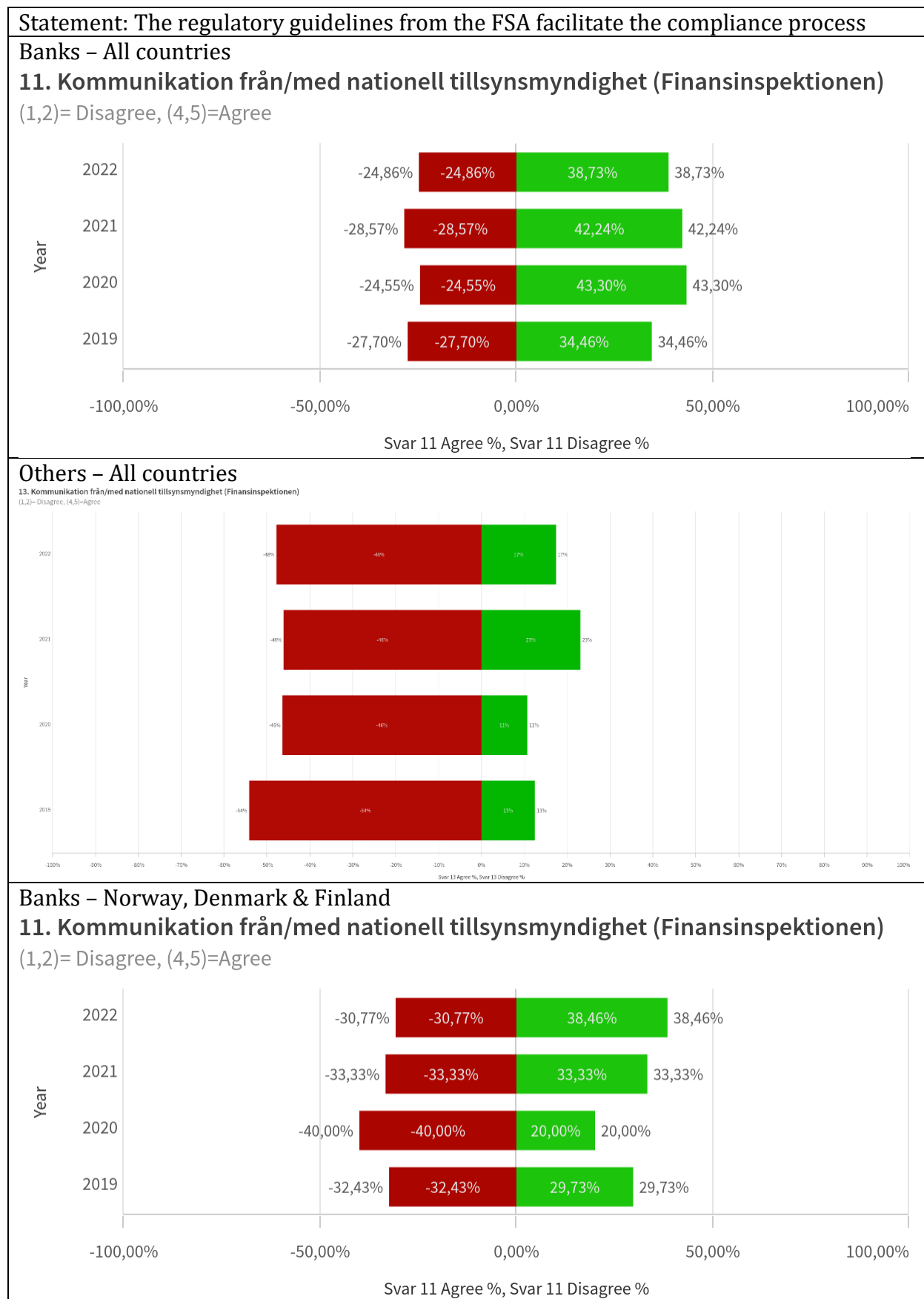
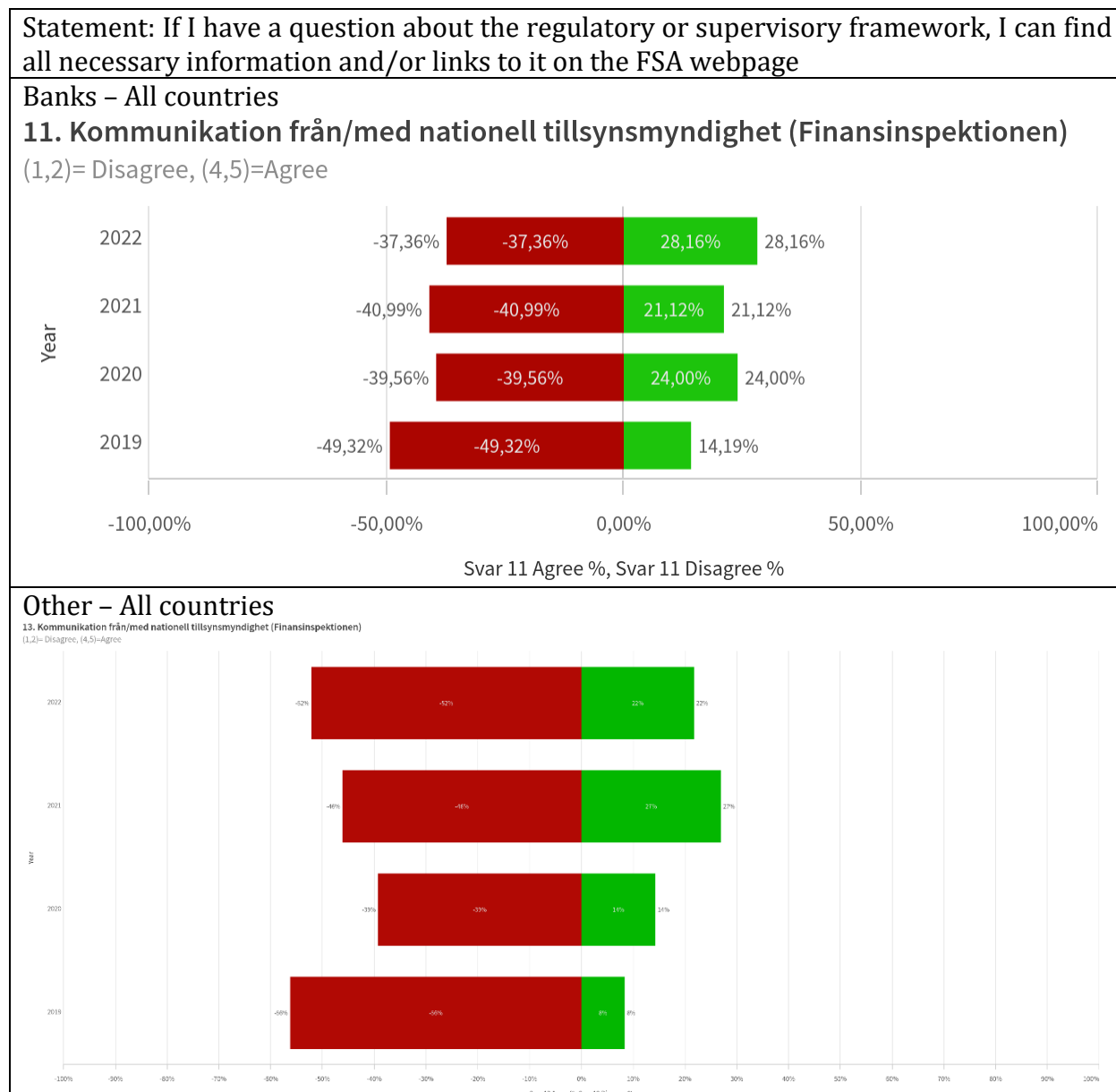


Figure 11 – Finding information



3.5. Effects on banks – product and process

The trend from last year with the respondents slowly adopting to the regulation, or at least are not responding that the issues are relating to regulation continues 2022.

Among the figures below it is the one on “A more detailed regulation strengthen the bank's competitiveness” that stands out with a significant change. The question is in the context of looking at bank’s vs other actors. The increased agreeing is from all sizes of banks.

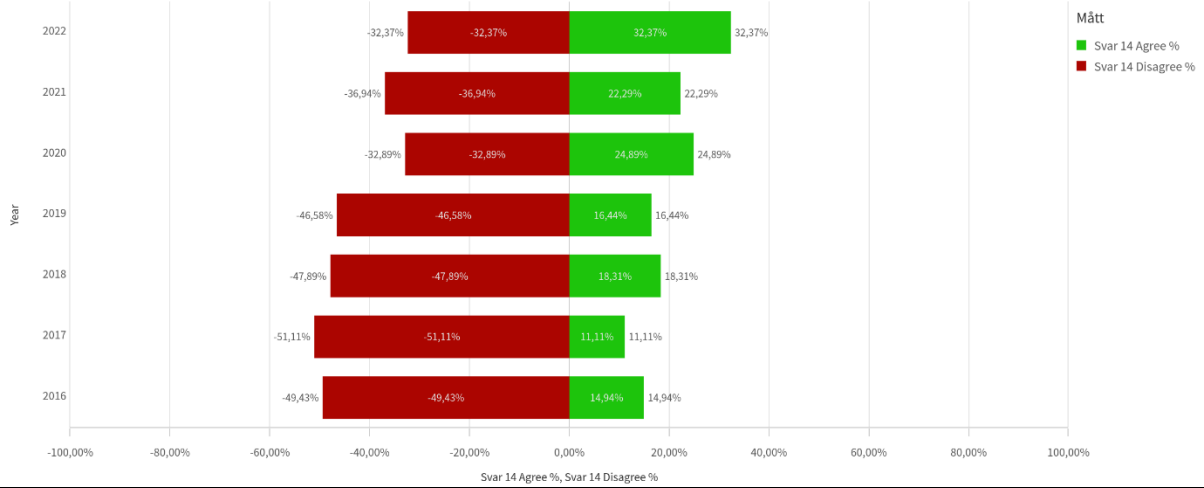
Figure 12 – Detailed regulation – strengthen competitiveness

Statement: A more detailed regulation strengthen the bank's competitiveness – Bank employees

All countries

14. I vilken grad instämmer du i följande påståenden?

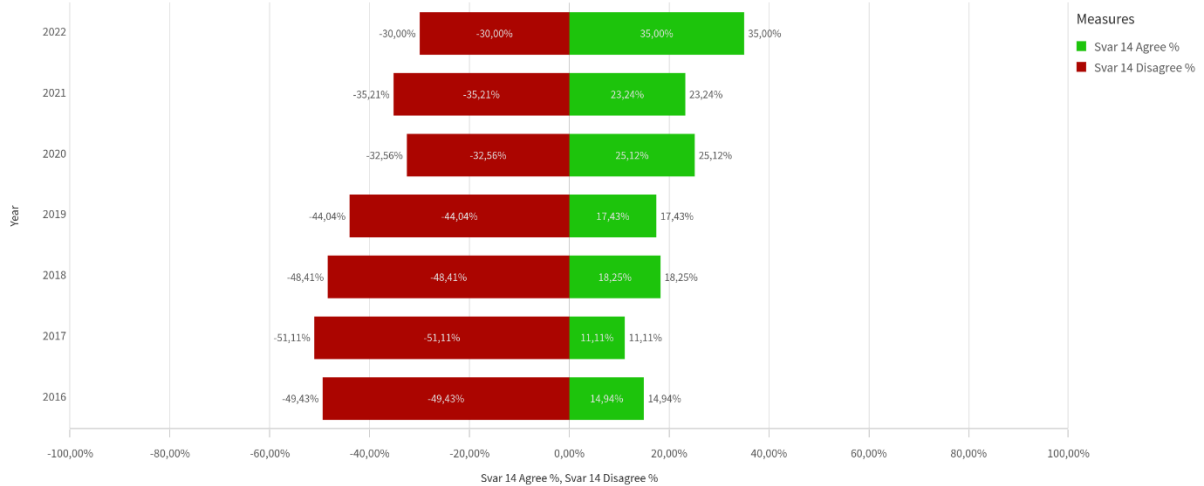
(1,2)= Disagree, (4,5)=Agree



Sweden

14. I vilken grad instämmer du i följande påståenden?

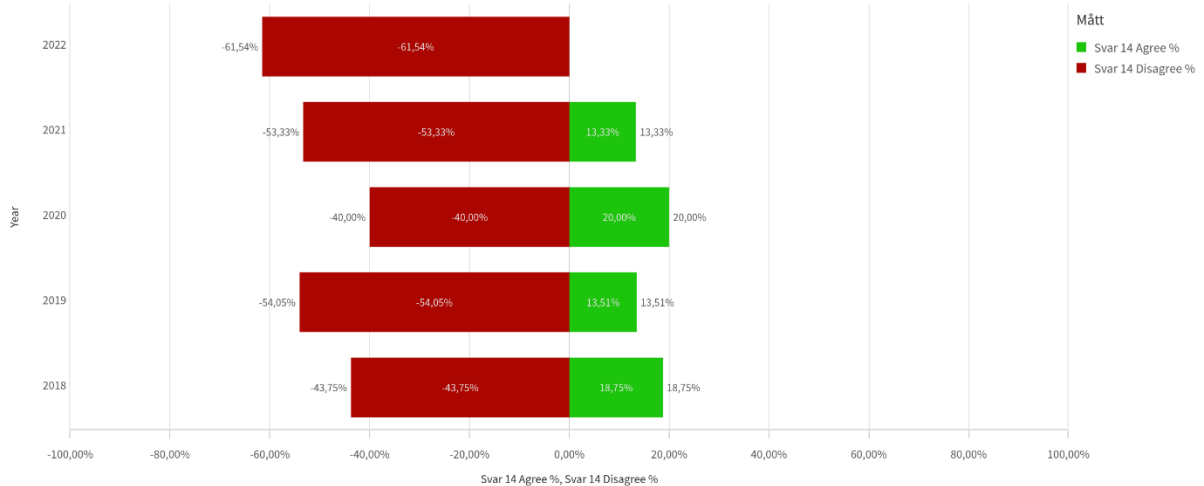
(1,2)= Disagree, (4,5)=Agree



Norway, Denmark & Finland

14. I vilken grad instämmer du i följande påståenden?

(1,2)= Disagree, (4,5)=Agree



4. Conclusions

The conclusions stand year by year, “the effects of increased regulation on Nordic banks are still extensive”. But some improvements are viewed.

The Ukraine war have without any surprise affected the Cyber risk levels in the banks. Other areas of risk management have just minor adjustment due to the war except AML risk where frequent changes in sanction lists have given challenges in compliance.

Most of the respondents indicates that the risk levels are reducing after two and a half year of the Covid-19 pandemic compared to last year. It looks like the Ukraine war increasing the Cyber risk level as well reflects on the Covid-19 pandemic results. It can be difficult for the respondents to separate the two events.

Within the ESG (Environment, Social, Governance) risk requirements the bank respondents is expressing a higher knowhow. The group of others are confirming the results as they all answer more equal this year.

With this being the sevens year of comparable questions in the survey some long-term trends can be read out. One of the main stakes in these surveys have been that the respondents find the regulation to be:

- unclear,
- difficult to understand,
- including a significant uncertainty in how the FSA will follow up on the regulation and instructions.
- without enough proportionality between small and large banks

Surprisingly this year the large and mid-sized banks respondents have made a significant move to be more agreeing that the regulation is clear. They also think that the proportionality is less of a problem. This area will need more investigation and will be analyzed next year out of a difference just 2022 or a new trend.

My summary of the analysis of this year survey in comparison with all years performed is that the adoption in the banks is there but it is a slow process. The respondents find the operational ways in the “new” regulatory environment but there is still a lot of question marks relating to FSA and how the regulation is to be followed up.

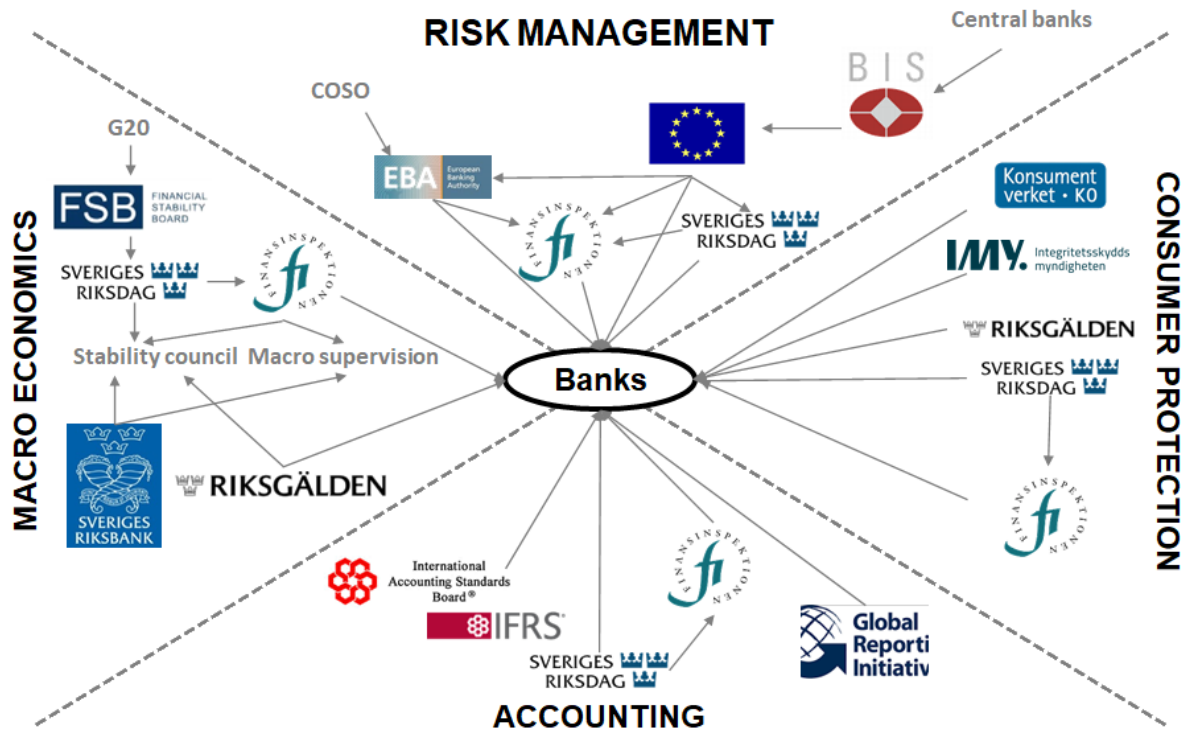
The title of the thesis and the reports, the adaptable survives, is by this conclusion as relevant now for the Nordic banks as it was in 2015.

Appendix 1 – The bank regulation

Banks are regulated to protect some stakeholders in particular, depositors and the state. Four main areas of regulation have been identified from the different perspectives of stakeholders: 1) Risk management, 2) Macroeconomics, 3) Accounting and 4) Consumer protection.

The bank regulation was in deep described in the thesis “The adaptable survives” (2015). An update has been made of Figure 13 – Swedish regulators.

Figure 13 – Swedish regulators



The different regulators above are here shortly described together with a reference to their respective homepage for more information.

1) Risk management

Basel committee (bis.org/bcbs)

Provides international standards for bank regulation, focus on large international banks. For the EU is Basel committee a sort of advisor, the regulation is implemented via EU directives and/or regulations.

COSO - The Committee of Sponsoring Organizations of the Treadway Commission (coso.org)

Provides framework and guidelines around ERM (Enterprise Risk Management), internal control and fraud.

EU (ec.europa.eu/finance/bank)

Implementing the Basel Committee's standards through regulations (direct acting) and directives (through national implementation).

EBA – European Banking Authority (eba.europa.eu)

Issues technical standards and guidelines based on EU regulations and directives. EBA is the interpreting authority of the Common Rule Book for Europe.

Finansinspektionen (fi.se)

Swedish financial supervisory authority (SFSA) issues regulations, guidelines, general advice and supervises Swedish banks. In major European banks, the ECB, European Central Bank, is the supervisor, (www.ecb.europa.eu).

Sveriges riksdag (riksdagen.se)

Decides on legislation for implementing EU directives as well as specific Swedish laws including mandate to Swedish authorities.

2) Macroeconomics

FSB (financialstabilityboard.org) / G20 (g20.org)

Created by the G20 Group, the twenty richest countries in the world, and shall identify systemic risks in the financial sector, develop policies and monitor the policy implementation to reduce systemic risks.

Riksbanken (riksbank.se)

Sweden's central bank is part of the Stability Council and has the task of being responsible for monetary policy with the aim of maintaining a fixed monetary value as well as promoting a safe and efficient payment system. This means that all payments between different banks in Sweden will be thru the Riksbank.

Riksgälden (riksdagen.se)

The Swedish national debt office handles consumer protection in the form of deposit guarantees for the state and the recovery plans within the crisis management.

3) Accounting

GRI – Global reporting initiative (globalreporting.org)

Provides global standards for sustainability reporting.

IFRS/IASB (ifrs.org)

Provides international standards for financial reporting. These standards are direct acting on banks as they must have IFRS as accounting standard.

4) Consumer protection

Integritetsskyddsmyndigheten (imy.se)

The Swedish Authority for Privacy Protection is supervising the banks data protection and dept collection.

Konsumentverket (konsumentverket.se)

Swedish Consumer Agency executes supervision of the banks' communication and relationship with consumers, such as its marketing and contractual terms.

Appendix 2 – Respondents

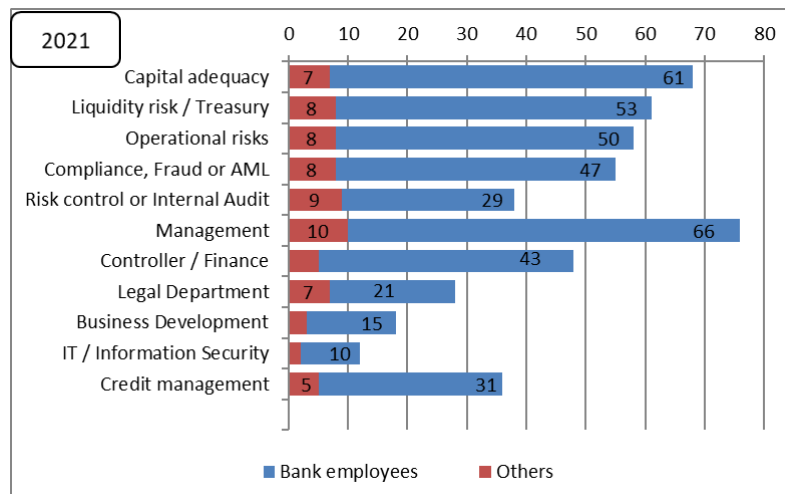
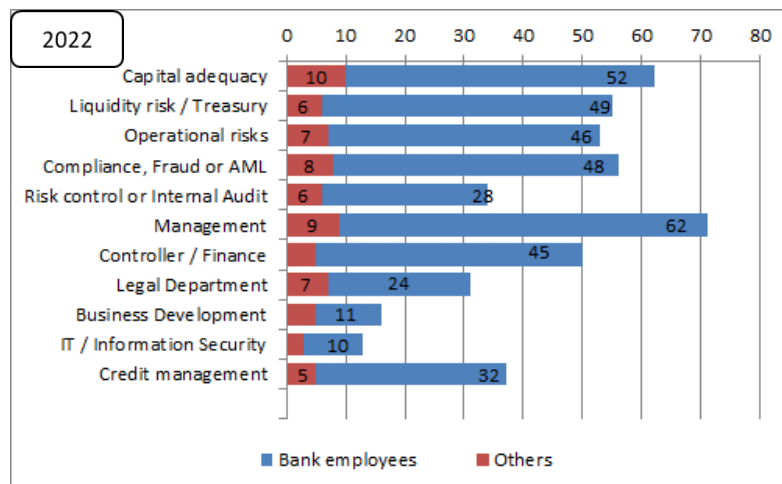
Most of the respondents, 88 percent, is found in banks, see Table 2 - Size of bank and category of respondent. The distribution has an overweight from smaller banks, with large banks being defined as more than SEK 500 billion in total assets, mid-sized banks SEK 50 - 500 billion and small banks have less than SEK 50 billion in total assets.

Table 2 - Size of bank and category of respondent

Category - respondent	No.	Share	Very large bank		Large bank		Small bank		Other	
Employees in banks	174	88%	37	21%	31	18%	106	61%	0	0%
Others	23	12%							23	100%
Total	197	100%	37	19%	31	16%	106	54%	23	12%
Survey 2021	187		22	12%	34	18%	105	56%	26	14%
Survey 2020	254		31	12%	31	12%	163	64%	29	11%
Survey 2019	196		38	19%	31	16%	78	40%	49	25%
Survey 2018	190		31	16%	39	21%	76	40%	44	23%
Survey 2017	122		29	24%	20	16%	44	36%	29	24%
Survey 2016	125		27	22%	22	18%	49	39%	27	22%
Survey 2015	89		23	26%	13	15%	25	28%	25	28%

Respondents have identified which areas they are active in, where several responses have been possible, see Figure 14 - Area of activity.

Figure 14 - Area of activity



In general, respondents have been active in banking, finance and insurance industry for more than 10 years, more than half have worked with a regulator, half have personnel responsibility and almost half are member in any committee of the bankers organisations, see Table 3 - Time of activity in the industry, with regulator, Personnel responsibility or committee member.

Table 3 - Time of activity in the industry, with regulator, Personnel responsibility or committee member

Time in the industry	More than 20 years		15 to 20 years		10 to 15 years		5 to 10 years		2 to 5 years		< 2 years	
Employees in banks	174	86 49%	24 14%	32 18%	18 10%	12 7%	2 1%					
Others	23	18 78%	1 4%	1 4%	2 9%	1 4%	0 0%					
Total	197	104 53%	25 13%	33 17%	20 10%	13 7%	2 1%					
<i>Survey 2021</i>	187	101 54%	26 14%	24 13%	25 13%	7 4%	4 2%					
<i>Survey 2020</i>	254	127 50%	46 18%	34 13%	23 9%	16 6%	8 3%					
<i>Survey 2019</i>	196	78 40%	46 23%	40 20%	26 13%	5 3%	1 1%					
<i>Survey 2018</i>	190	74 39%	37 19%	43 23%	29 15%	3 2%	4 2%					
<i>Survey 2017</i>	122	46 38%	28 23%	24 20%	19 16%	4 3%	1 1%					
<i>Survey 2016</i>	125	47 38%	28 22%	22 18%	20 16%	7 6%	1 1%					
<i>Survey 2015</i>	89	n/a	n/a	66 74%	17 19%	5 6%	1 1%					

Time at regulator	More than 20 years		15 to 20 years		10 to 15 years		5 to 10 years		2 to 5 years		< 2 years		No time	
Employees in banks	174	19 11%	4 2%	27 16%	20 11%	13 7%	10 6%	81 47%						
Others	23	5 22%	0 0%	2 9%	4 17%	1 4%	2 9%	9 39%						
Total	197	24 12%	4 2%	29 15%	24 12%	14 7%	12 6%	90 46%						
<i>Survey 2021</i>	187	17 9%	9 5%	15 8%	16 9%	13 7%	20 11%	97 52%						
<i>Survey 2020</i>	254	35 14%	9 4%	32 13%	17 7%	17 7%	25 10%	119 47%						
<i>Survey 2019</i>	196	11 6%	11 6%	22 11%	30 15%	17 9%	18 9%	87 44%						
<i>Survey 2018</i>	190	16 8%	11 6%	18 9%	19 10%	14 7%	20 11%	92 48%						

Personnel responsibility	Yes		Yes, before		No	
Employees in banks	174	96 55%	25 14%	53 30%		
Others	23	12 52%	3 13%	8 35%		
Total	197	108 55%	28 14%	61 31%		
<i>Survey 2021</i>	187	88 47%	39 21%	60 32%		
<i>Survey 2020</i>	254	127 50%	48 19%	79 31%		
<i>Survey 2019</i>	196	105 54%	33 17%	58 30%		
<i>Survey 2018</i>	190	99 52%	36 19%	55 29%		
<i>Survey 2017</i>	121	61 50%		60 50%		
<i>Survey 2016</i>	124	61 49%		63 51%		
<i>Survey 2015</i>	86	38 44%		48 56%		

Committee member	Yes		Yes, before		No	
Employees in banks	174	46 26%	11 6%	117 67%		
<i>Survey 2021</i>	161	31 19%	10 6%	120 75%		
<i>Survey 2020</i>	225	44 20%	17 8%	164 73%		
<i>Survey 2019</i>	148	50 34%	18 12%	80 54%		
<i>Survey 2018</i>	146	50 34%	12 8%	84 58%		
<i>Survey 2017</i>	93	42 45%		51 55%		
<i>Survey 2016</i>	98	46 47%		52 53%		

The regulatory knowledge is generally assessed out of position and area of responsibility, both generally and in three specific areas: Governance, Risk and Control³, Operational Risks, Information Security, and IT⁴, and Capital Coverage and Liquidity (CRR⁵). The assessed level of knowledge is lowest about Operational Risks, Information Security and IT, see Table 4 - Regulatory knowledge.

Table 4 - Regulatory knowledge

Regulatory knowledge	Very limited				Very good				2021	2020	2019	2018		
Regulation in general	0	0%	5	3%	28	15%	91	47%	68	35%	27%	29%	34%	34%
Governance, Risk, control	3	2%	6	3%	38	20%	80	42%	63	33%	34%	32%	35%	39%
Operational risk, IT ...	8	4%	27	14%	51	27%	80	42%	24	13%	14%	14%	12%	21%
Capital adequacy	17	9%	24	12%	44	23%	66	34%	42	22%	20%	20%	25%	34%
Liquidity	19	10%	28	15%	51	26%	53	27%	42	22%	19%	18%	17%	21%

³ Sweden: Finansinspektionens föreskrift FFFS 2014:1

⁴ Sweden: Finansinspektionens föreskrifter FFFS 2014:4 och 2014:5

⁵ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions

Appendix 3 – Comparison 2022 with 2018-2021

Here are the figures from the 2018-2021 report that led to the conclusions in the report compared with the same figures for 2022. The results are the same between the years and I have chosen not to comment all of them. Remember that the number of respondents in Norway, Denmark and Finland is limited and vary between the years.

Competition on the banking market

Figure 15 - Other actors increased regulation

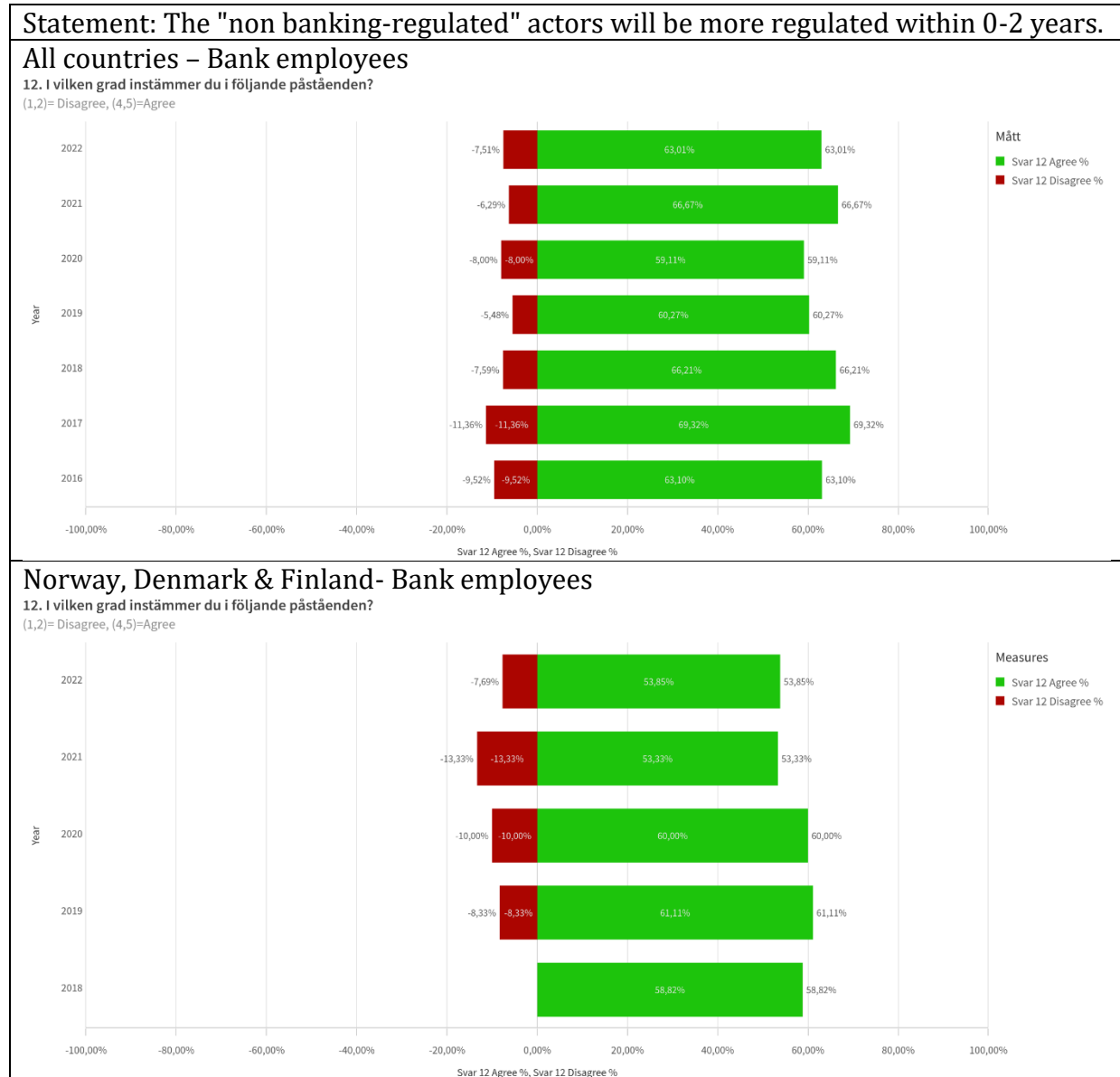
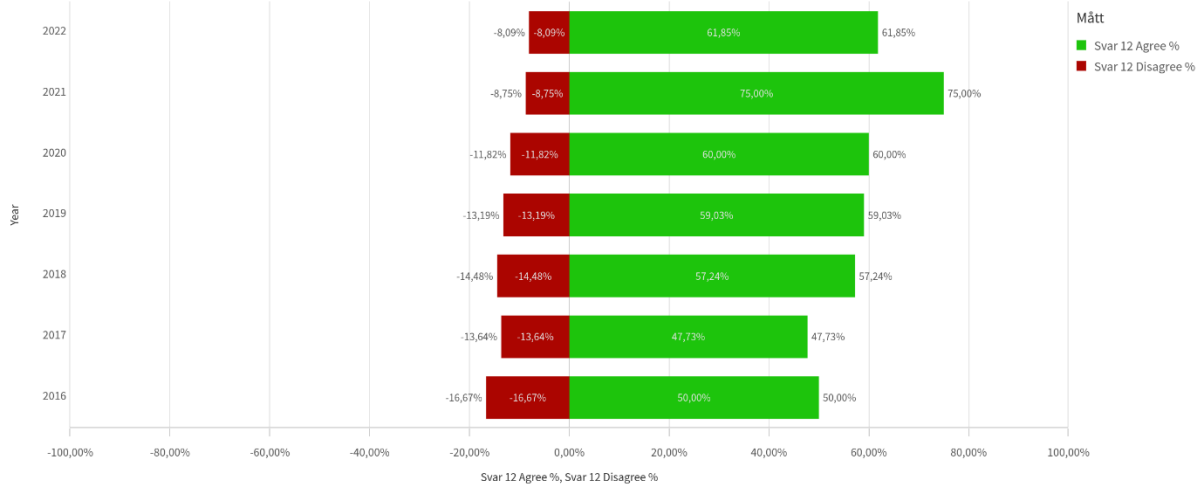


Figure 16 - Difficulty to distinguish products.

Statement: Competition makes it more difficult for banks to distinguish their products from other actors' offers.

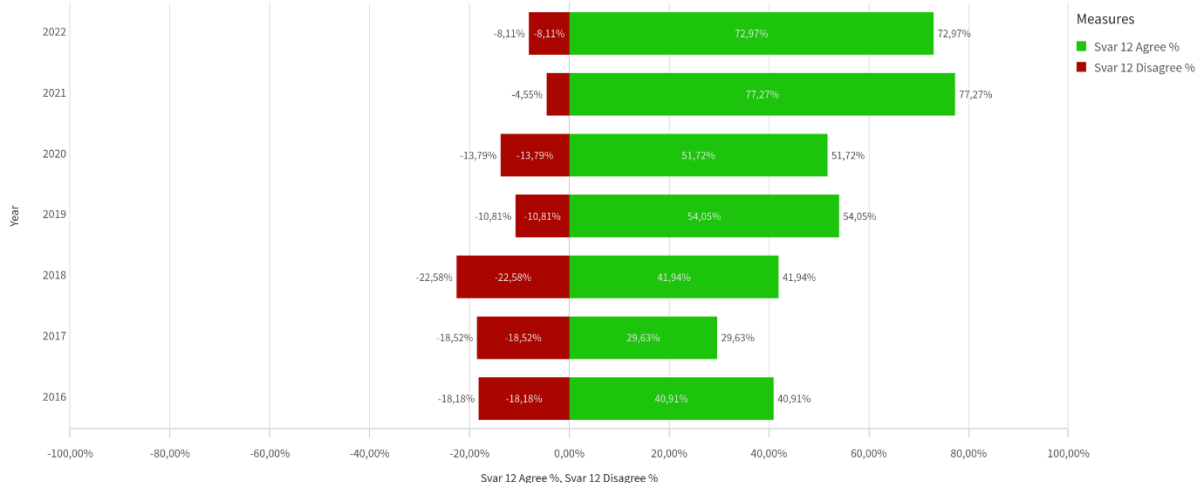
All banks

12. I vilken grad instämmer du i följande påståenden?
(1,2)= Disagree, (4,5)=Agree



Large banks

12. I vilken grad instämmer du i följande påståenden?
(1,2)= Disagree, (4,5)=Agree



Mid-sized banks

12. I vilken grad instämmer du i följande påståenden?
(1,2)= Disagree, (4,5)=Agree

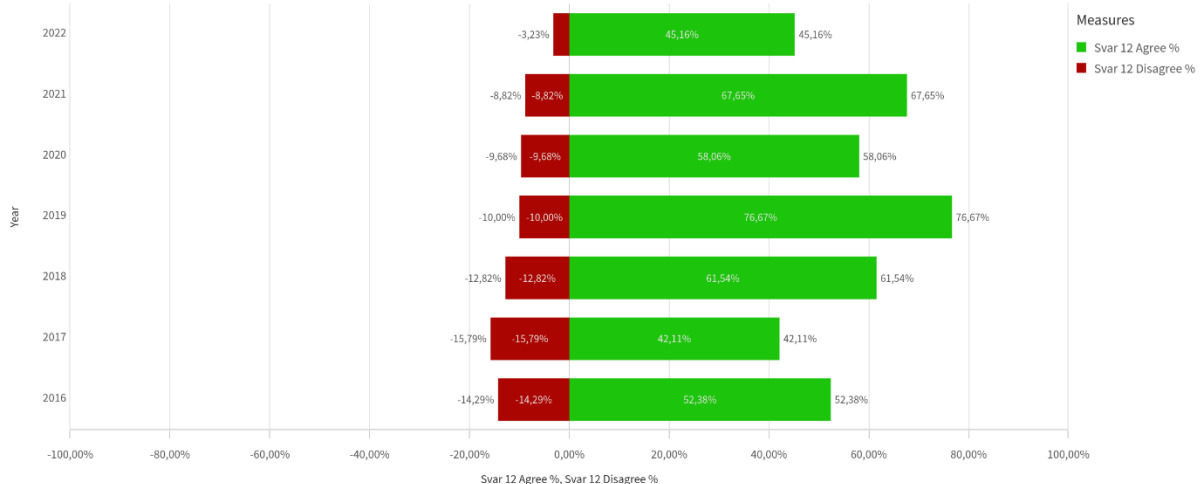
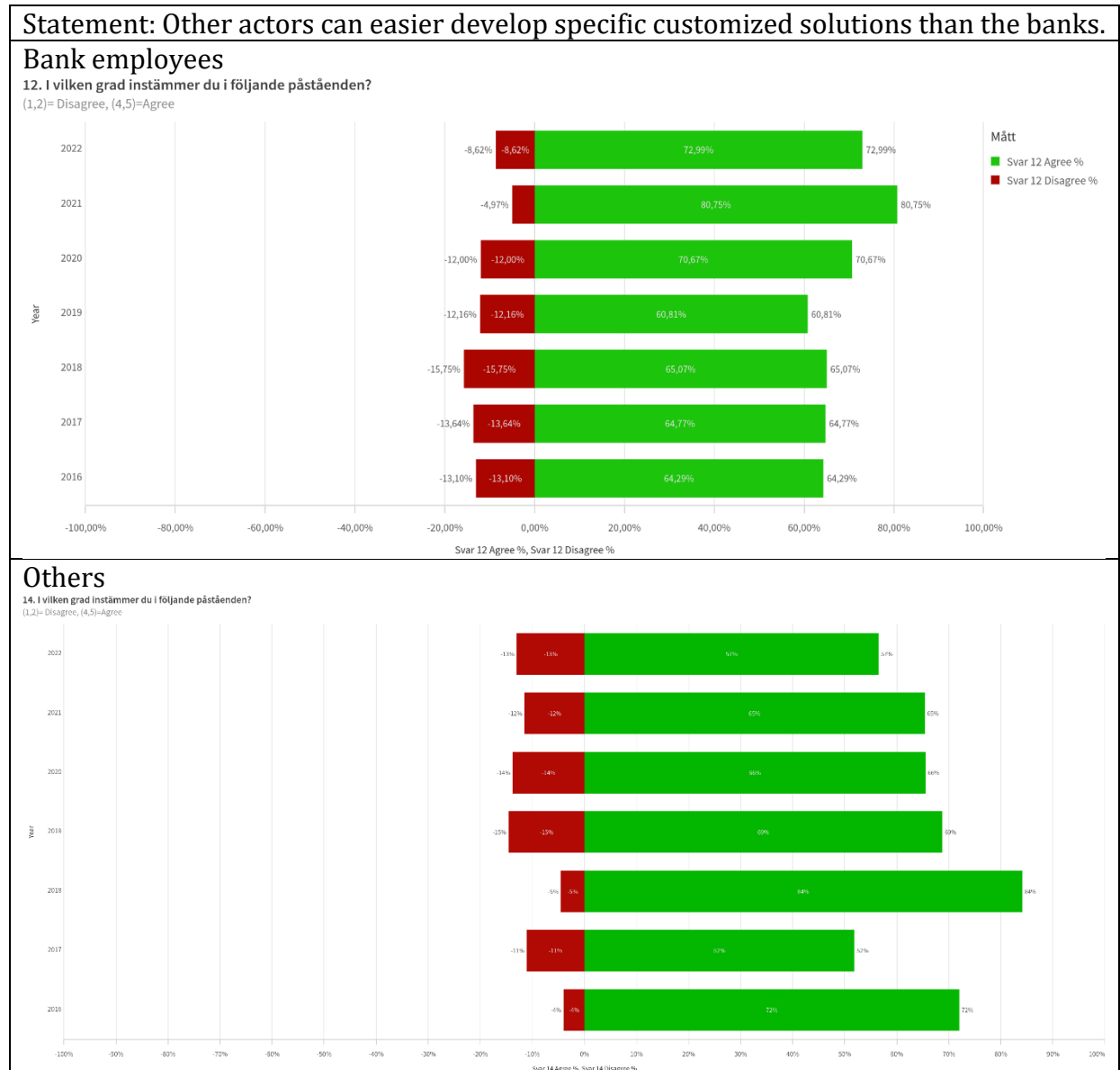
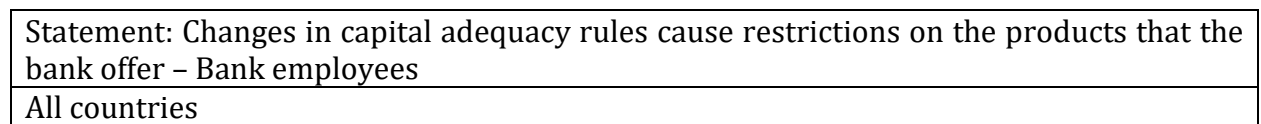


Figure 17 - Other actors, development capacity



Effects on banks – product and process

Figure 18 – Restrictions on product offer



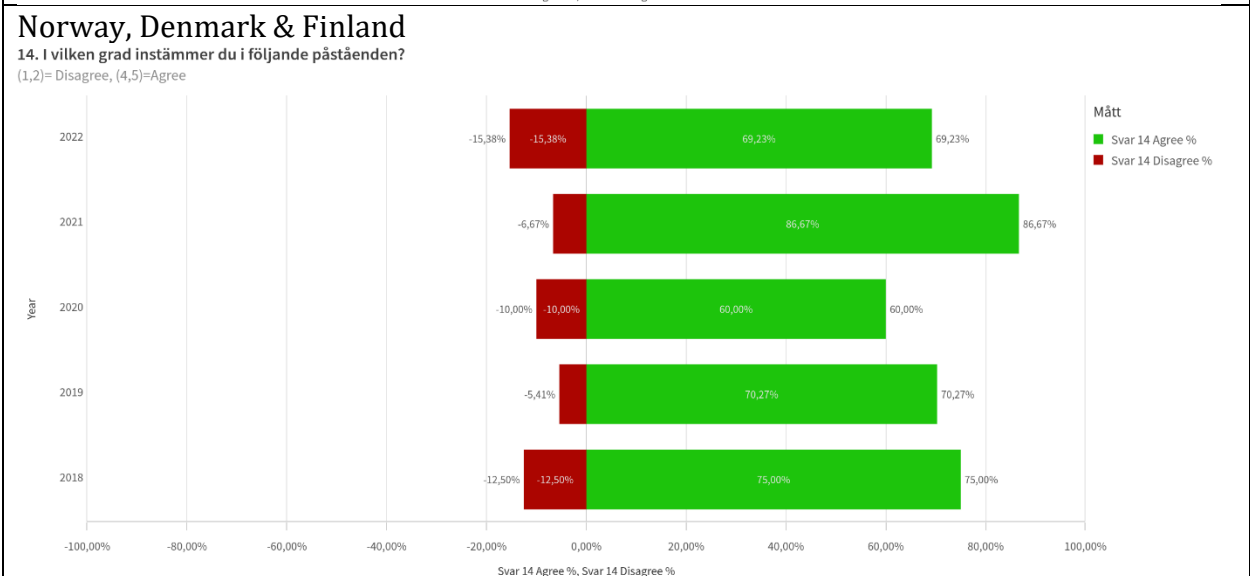
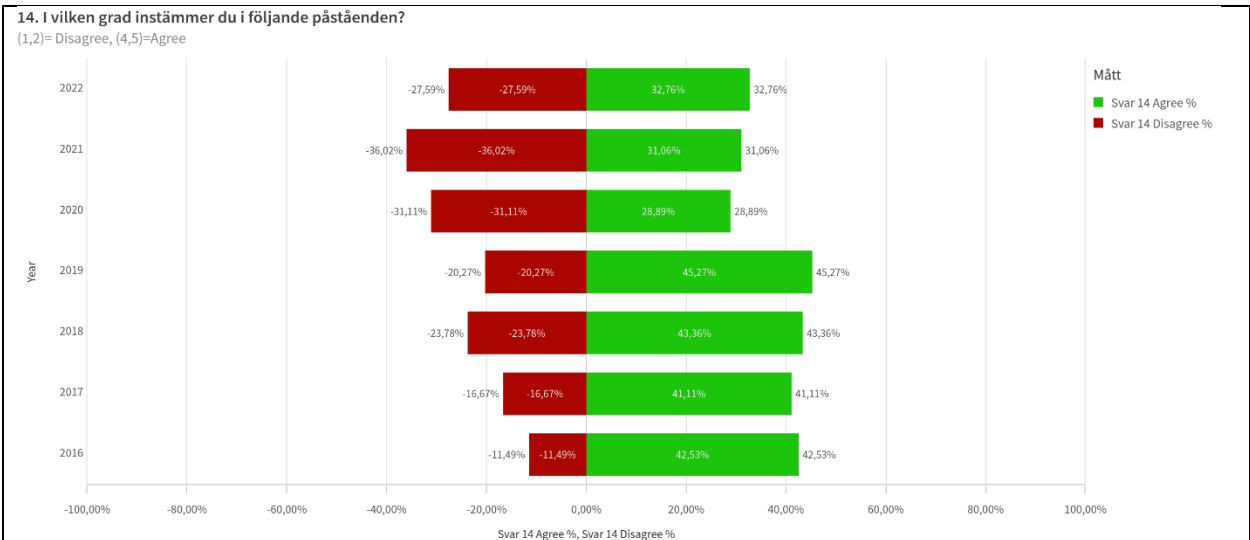
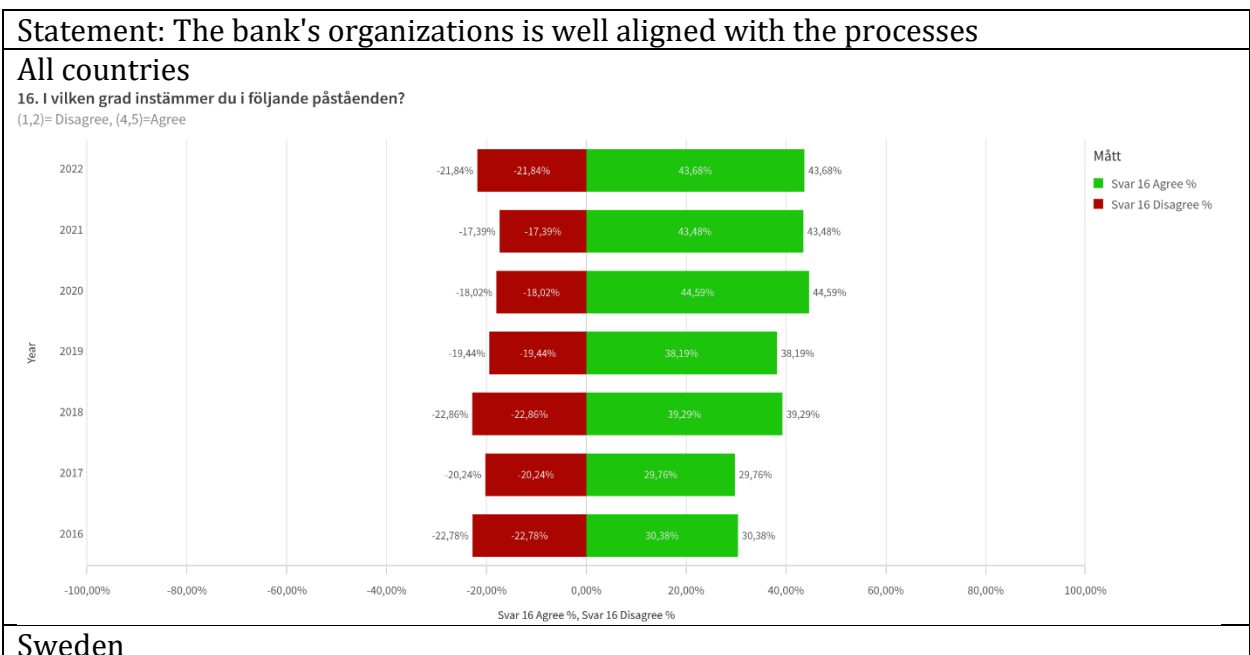


Figure 19 – Organization well aligned



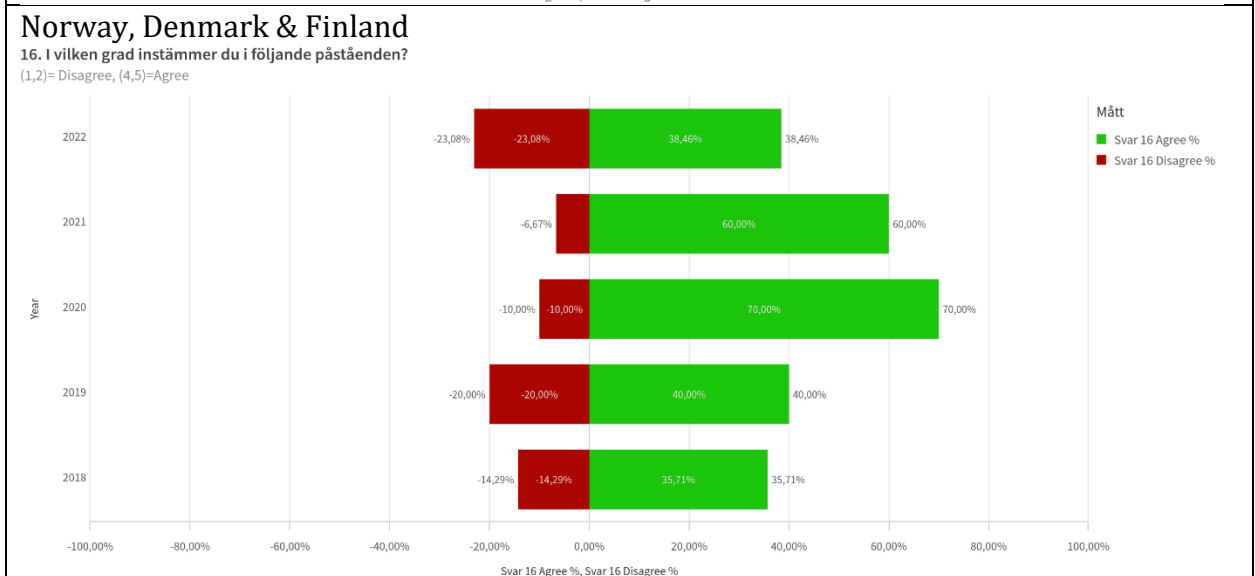
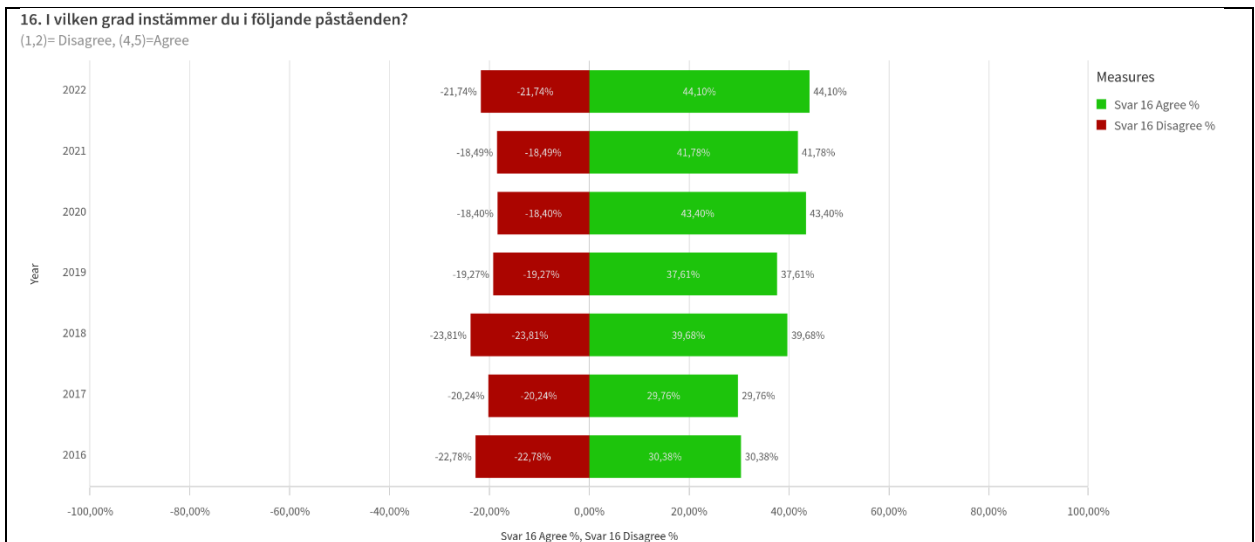
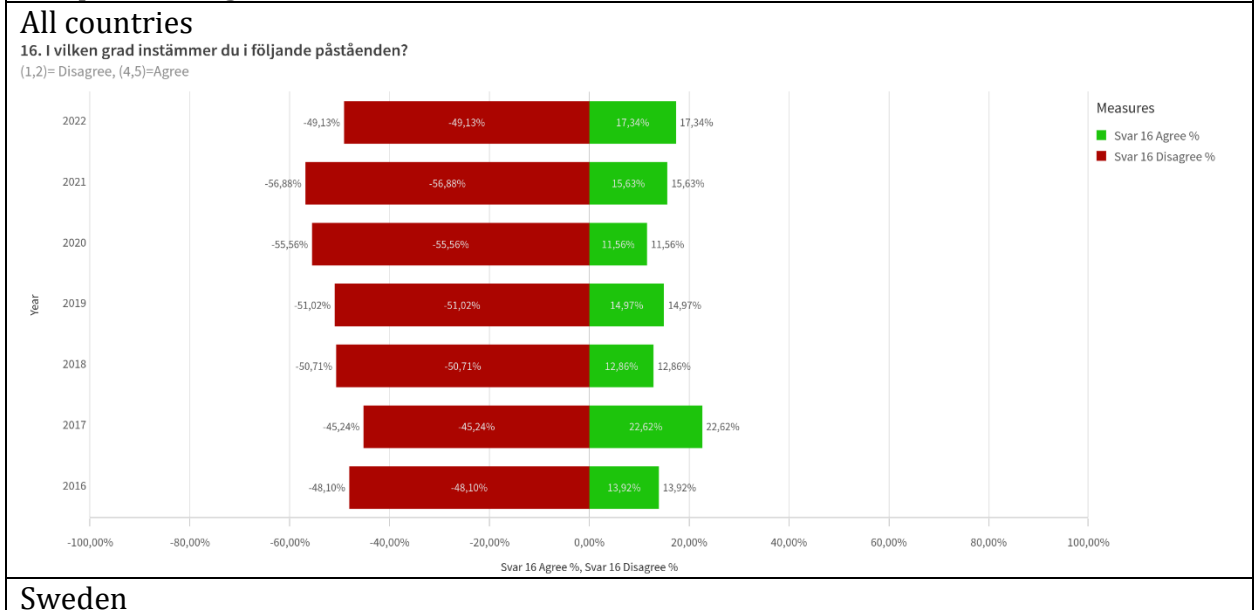


Figure 20 - Unique processes

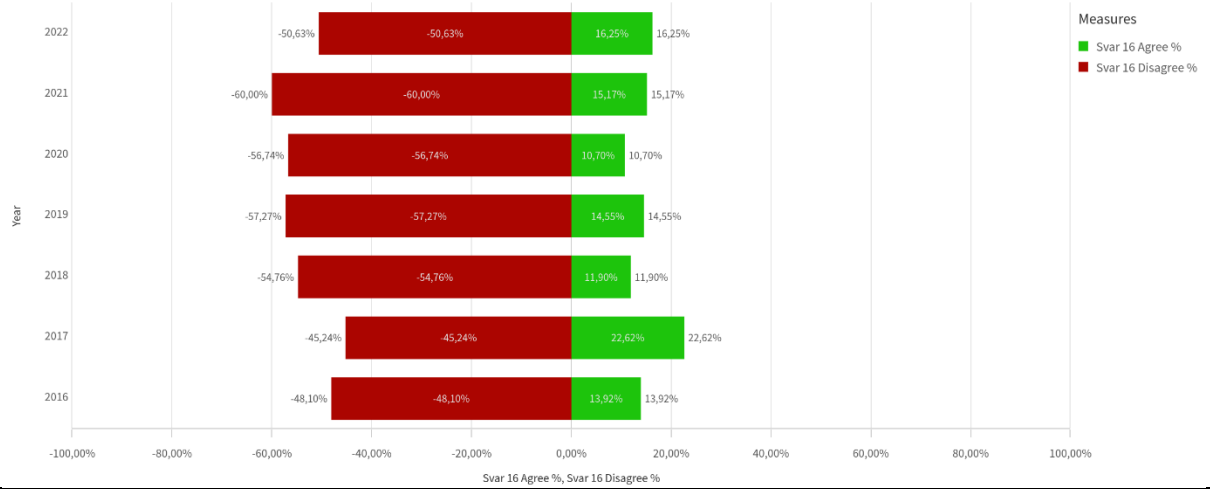
Statement: The bank has unique processes that are difficult to mimic and give rise to a competitive edge.



Sweden

16. I vilken grad instämmer du i följande påståenden?

(1,2)= Disagree, (4,5)=Agree



Norway, Denmark & Finland

16. I vilken grad instämmer du i följande påståenden?

(1,2)= Disagree, (4,5)=Agree

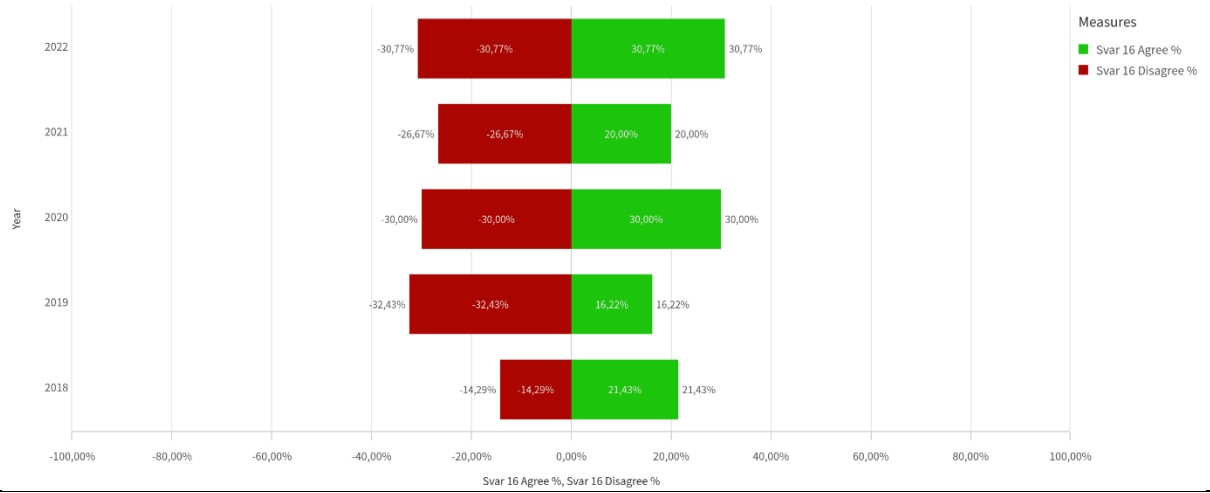
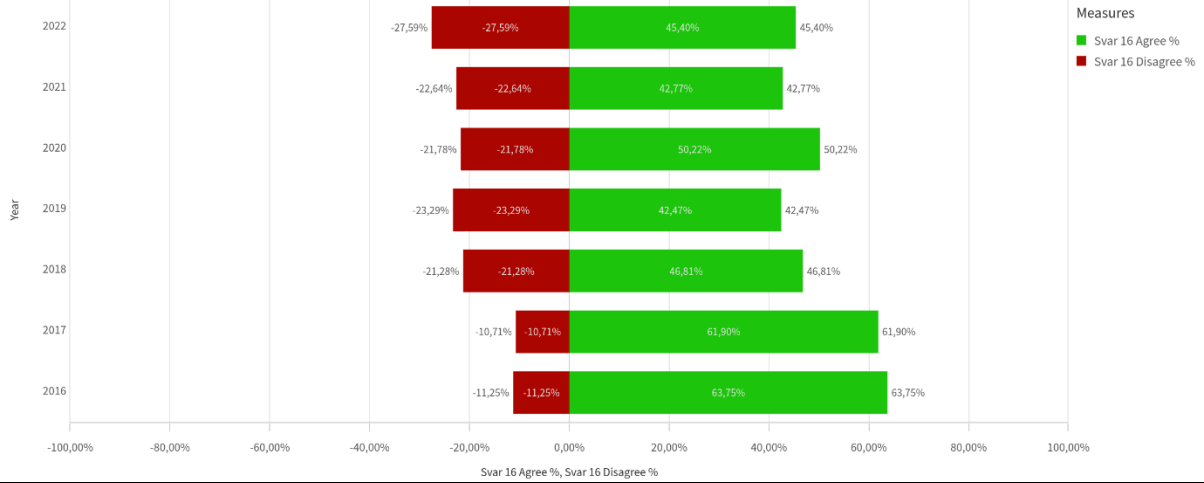


Figure 21 – Regulatory change is positive for clear and systematic processes

Statement: Regulatory changes are positive because it makes the bank develop clearer and more systematic processes.

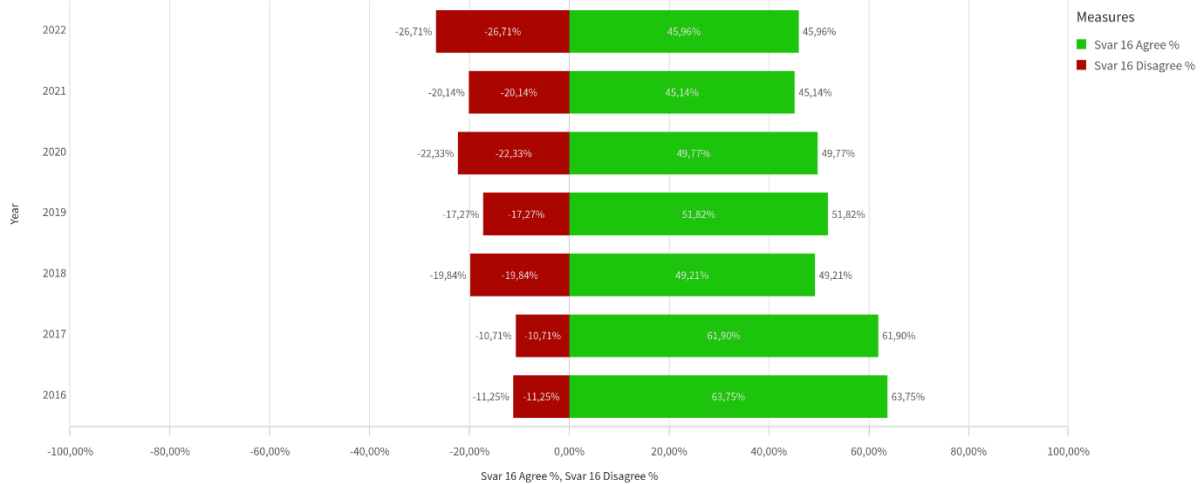
All countries

16. I vilken grad instämmer du i följande påståenden?
(1,2)= Disagree, (4,5)=Agree



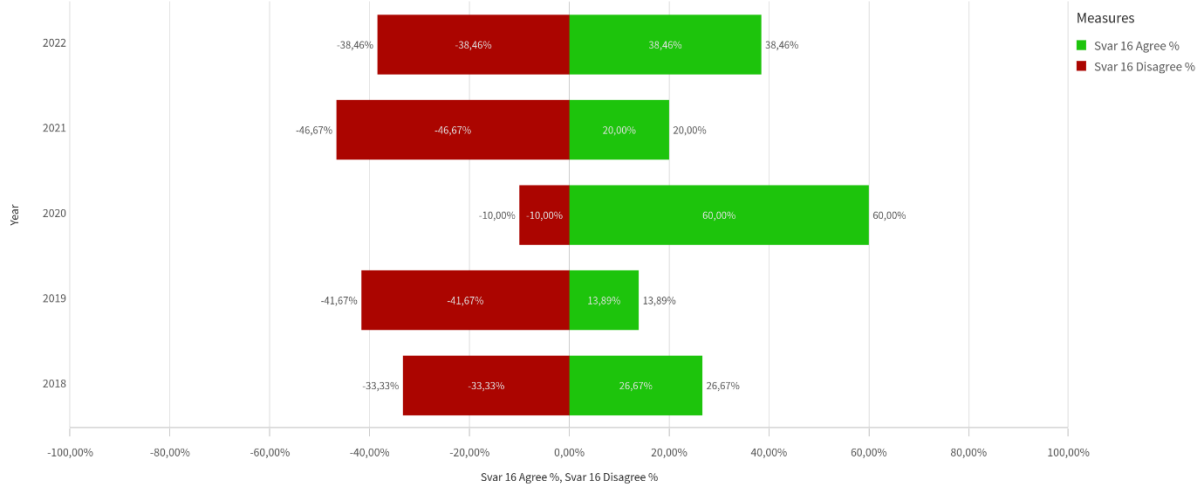
Sweden

16. I vilken grad instämmer du i följande påståenden?
(1,2)= Disagree, (4,5)=Agree



Norway, Denmark & Finland

16. I vilken grad instämmer du i följande påståenden?
(1,2)= Disagree, (4,5)=Agree

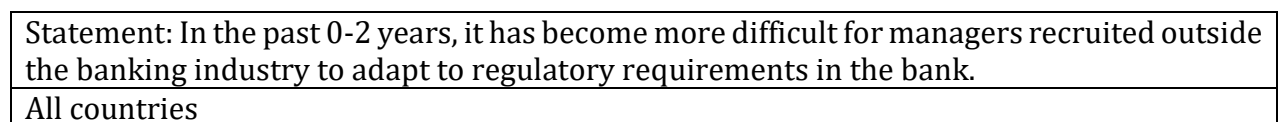


Leadership

Figure 22 - More difficult to recruit managers

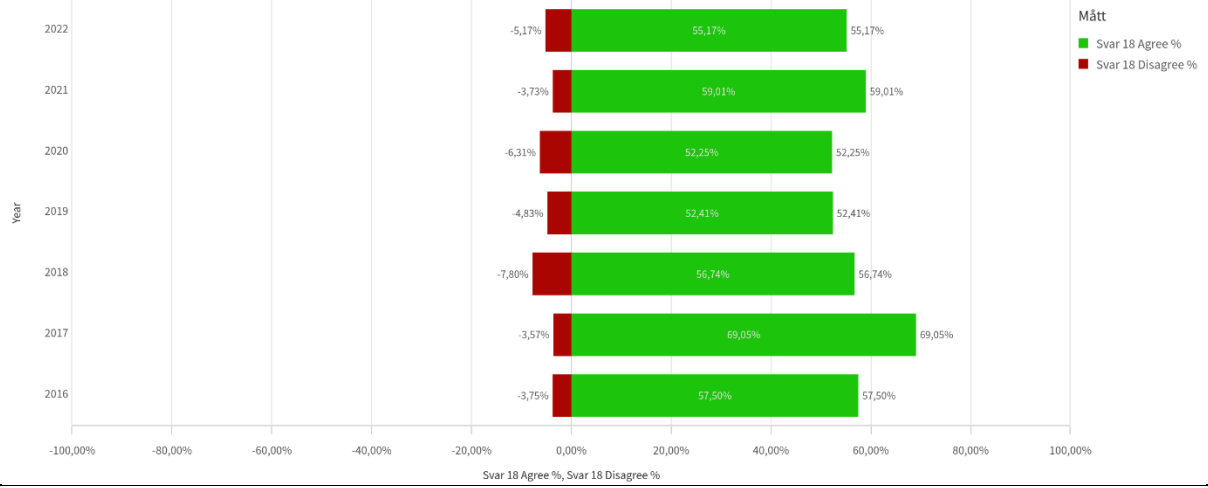


Figure 23 - More difficult for managers recruited outside the banks



18. I vilken grad instämmer du i följande påståenden?

(1,2)= Disagree, (4,5)=Agree



Norway, Denmark & Finland

18. I vilken grad instämmer du i följande påståenden?

(1,2)= Disagree, (4,5)=Agree

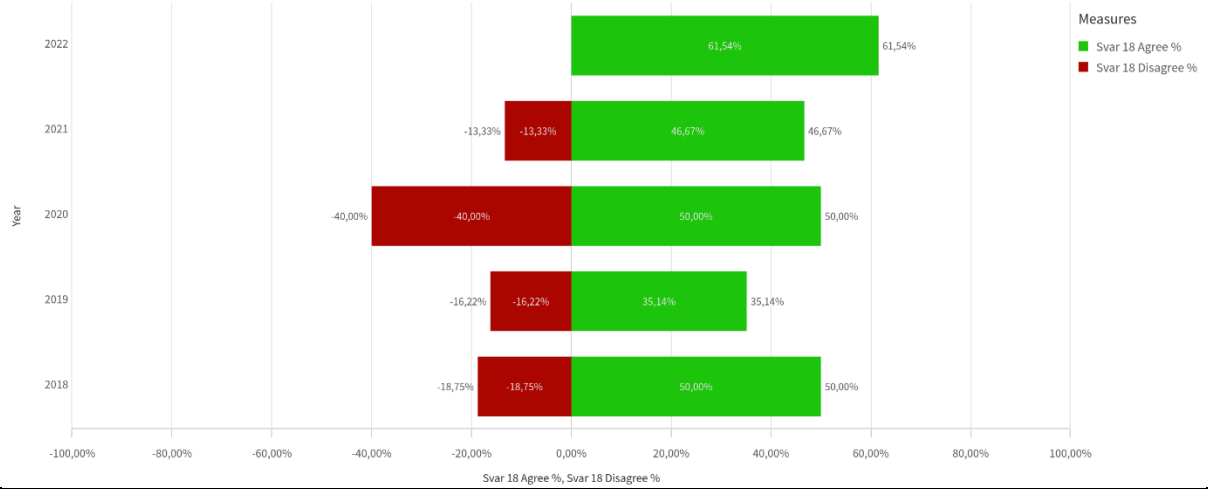
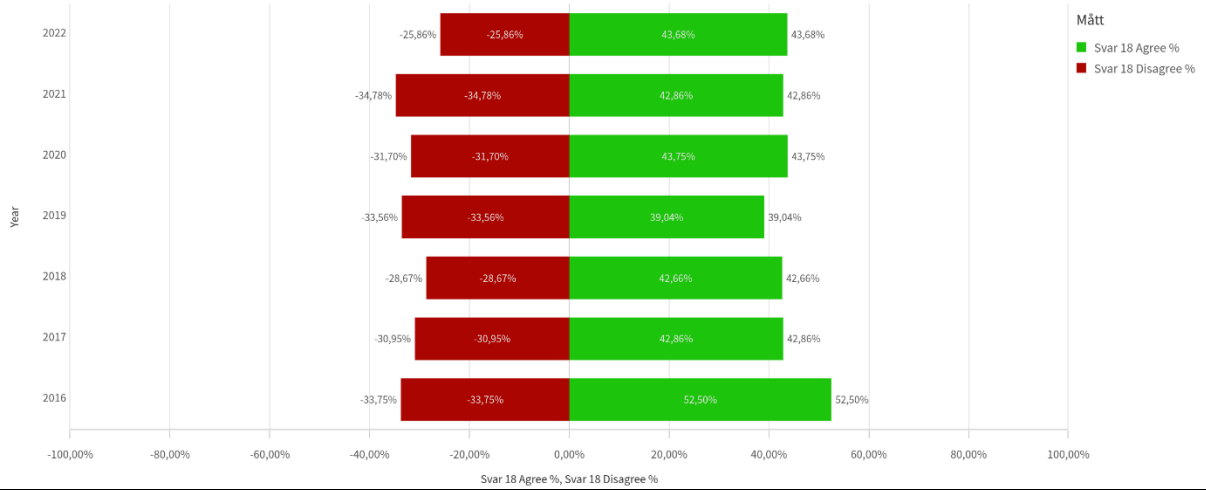


Figure 24 – Managers need to be formalistic

Statement: Leaders and managers in the banking industry need to become more formalistic / bureaucratic to meet the requirements of the regulation.

All countries

18. I vilken grad instämmer du i följande påståenden?
(1,2)= Disagree, (4,5)=Agree



Norway, Denmark & Finland

18. I vilken grad instämmer du i följande påståenden?
(1,2)= Disagree, (4,5)=Agree

